

WEBVTT

1

00:00:00.089 --> 00:00:02.190

let's see if we can find the agenda now.

2

00:00:06.240 --> 00:00:08.970

Joe Pellegrino: wow This is like really crazy.

3

00:00:10.230 --> 00:00:19.380

Joe Pellegrino: Agenda all right quarter Approval of Minutes, we have the regular meeting minutes from April 29 discussion.

4

00:00:21.690 --> 00:00:25.590

Joe Pellegrino: No discussion okay does anybody want to move the Minutes.

5

00:00:26.070 --> 00:00:26.610

Mike Wacek: So moved.

6

00:00:27.420 --> 00:00:28.230

Joe Pellegrino: To have a second.

7

00:00:29.490 --> 00:00:29.820

Kevin Coyner: Okay.

8

00:00:30.180 --> 00:00:32.280

Joe Pellegrino: Thank you all in favor Aye.

9

00:00:32.880 --> 00:00:33.240

Mike Wacek: All right.

10

00:00:33.930 --> 00:00:51.030

Joe Pellegrino: All unanimous okay Item number three investments and performance, we have neuberger Berman, this morning, today is the private equity review and more and then we're going to do SG and then crypto currencies let's start with the private equity review.

11

00:00:52.710 --> 00:00:55.170

Joe Pellegrino: Let me see if I can find that document oh.

12

00:00:57.090 --> 00:00:59.640

Savinelli, Michael: Job i'll put it up on the screen to okay.

13

00:01:02.460 --> 00:01:12.480

Joe Pellegrino: I think it's going between two different systems, I see for me at least PowerPoint presentation 65 pages.

14

00:01:13.590 --> 00:01:14.220

Joe Pellegrino: Okay.

15

00:01:15.330 --> 00:01:31.560

Joe Pellegrino: Why my my heart of the issue, to me, are pages 20 and 21 I really want let's get into what are the investments, how are they performing what kind of returns, are we seeing in the private portfolio.

16

00:01:34.410 --> 00:01:43.920

Drenckhahn, Dominique: Good morning, everyone Dominique and I actually i'm just trying to get more fully a Hun the zoom she's having a little bit of trouble right now.

17

00:01:44.790 --> 00:01:57.570

Savinelli, Michael: Baby yeah Joe what more semyon she's pulling up the zoom invite details, but for 30 seconds up front before more joins we did want keep for so can everyone see the screen and.

18

00:01:58.110 --> 00:01:59.070

Savinelli, Michael: Right yes perfect.

19

00:02:00.180 --> 00:02:05.940

Savinelli, Michael: we're gonna skip through all the you know firm overview private equity team, you know us, you know what we.

20

00:02:05.940 --> 00:02:07.260

White, Andrew: Do skip.

21

00:02:07.470 --> 00:02:09.000

Savinelli, Michael: Right to where we.

22

00:02:09.060 --> 00:02:21.120

Savinelli, Michael: want to start just to reiterate, on page 11 the the total portfolio performance and some of the numbers that we talked about at the quarter we review with Eric knutson and Andrew last month.

23

00:02:21.300 --> 00:02:24.660

Savinelli, Michael: And just reiterate the positive performance.

24

00:02:25.260 --> 00:02:39.330

Savinelli, Michael: relative to policy benchmark application benchmark and highlight the attribution that we reviewed previously that shows the private market program being a significant contributor to that our performance as well, so just.

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00:02:39.990 --> 00:02:52.740

Savinelli, Michael: To reiterate, and level set as we go into talking more about the private equity private market investments themselves, we want to add that context Andrew is there anything you wanted to touch on specifically.

26

00:02:54.270 --> 00:03:01.650

White, Andrew: yeah I mean, I think that was you know, the main thing is obviously we performed well against the benchmarks, but really importantly the desired target return.

27

00:03:02.070 --> 00:03:16.020

White, Andrew: And you know when we were updating the strategic allocation, one of the things that we talked a lot about was the importance of the allocation to private markets, and you know when we you know more can certainly go through them on a fun by fun level.

28

00:03:17.190 --> 00:03:25.920

White, Andrew: But you know historically there's been about a 300 basis point premium over public markets and that's what we've used for our for looking modeling.

29

00:03:26.250 --> 00:03:40.560

White, Andrew: So you know from our standpoint, when we reviewed performance it's really important that we, you know we make sure that we're being compensated for the illiquidity you know, not only on the total portfolio level, but specifically within private market, we have reviewed.

30

00:03:41.580 --> 00:03:58.080

White, Andrew: You know kind of composite returns relative to the broader public market indexes we have seen that you know investors broadly but really the town in Greenwich has been rewarded from this private market exposure, so you know it's

achieving above and beyond the public markets.

31

00:03:59.100 --> 00:04:06.240

White, Andrew: You know whether or not that 300 basis point premium will you know continue throughout time remains to be seen, but.

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00:04:07.020 --> 00:04:15.570

White, Andrew: We still do believe that there will be a premium over public markets going forward, and I think it really just it speaks to the importance and stressing the importance.

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00:04:15.990 --> 00:04:27.120

White, Andrew: of having you know, a season high quality team behind it, that is, is viewing the exposure on a very holistic level so not necessarily yeah yeah and thanks again.

34

00:04:27.180 --> 00:04:36.270

Savinelli, Michael: We want to give the broader context, before drilling in specifically so just to reiterate, on that front, the only other points that will make right up front before.

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00:04:36.330 --> 00:04:38.190

White, Andrew: diving into the portfolio is.

36

00:04:38.250 --> 00:04:45.780

Savinelli, Michael: The goal of the private market program to you know achieve an attractive risk adjusted return via a diversified portfolio of.

37

00:04:46.590 --> 00:04:57.000

Savinelli, Michael: Private private market investments in doing so in a cost effective manner, which we think as born itself out in the program so far and we can share more about that.

38

00:04:57.870 --> 00:05:15.270

Savinelli, Michael: you're familiar with the investments that we've made 150 million into eight funds, including called commingled co investment aggregator vehicles and secondary investments and direct investments as well, which is part of what the program that we've discussed over the years as well.

39

00:05:15.330 --> 00:05:18.990

Joe Pellegrino: All right, I see we've got Dominique twice this is impressive

Dominique.

40

00:05:19.440 --> 00:05:19.890

Savinelli, Michael: Yes.

41

00:05:19.920 --> 00:05:22.710

Joe Pellegrino: lift your personality like that all right i'll.

42

00:05:22.740 --> 00:05:23.790

Savinelli, Michael: Probably double duty.

43

00:05:23.850 --> 00:05:26.280

Joe Pellegrino: into the portfolio, please page.

44

00:05:26.280 --> 00:05:28.260

Savinelli, Michael: Yet, where we can skip past.

45

00:05:28.440 --> 00:05:30.390

Savinelli, Michael: The modeling if there are questions will come back to.

46

00:05:31.650 --> 00:05:33.990

Joe Pellegrino: correspond five minutes dribbling let's go.

47

00:05:34.230 --> 00:05:36.660

Savinelli, Michael: Sure, so page 20 is where we.

48

00:05:36.840 --> 00:05:38.400

White, Andrew: outline the schedule investments and.

49

00:05:38.400 --> 00:05:39.600

Savinelli, Michael: we're all turn it over.

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00:05:39.870 --> 00:05:41.520

Savinelli, Michael: To do more and Dominique.

51

00:05:42.660 --> 00:05:50.490

Kennedy, Maura: Sure hi everybody nice to see you were Julie this page is really hard to read let's just get that out in the open.

52

00:05:51.930 --> 00:05:53.580

Kennedy, Maura: What i'd say is.

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00:05:54.780 --> 00:05:58.800

Kennedy, Maura: Private equity over the last year has performed incredibly well.

54

00:06:00.780 --> 00:06:02.370

Kennedy, Maura: Q one.

55

00:06:03.720 --> 00:06:15.210

Kennedy, Maura: The marks kind of didn't reflect coven to two marks to call it into consideration, there was a slow down but q3 and Q4.

56

00:06:16.320 --> 00:06:18.210

Kennedy, Maura: marks marks were up.

57

00:06:19.380 --> 00:06:22.350

Kennedy, Maura: Pretty significantly kind of across private equity.

58

00:06:23.460 --> 00:06:30.480

Kennedy, Maura: This portfolio is is a recipient of that right up the portfolios doing well.

59

00:06:31.440 --> 00:06:50.880

Kennedy, Maura: kind of the legacy portfolio there's not a ton of change only because these are pretty season portfolios, but the valuation over the year was up slightly and i'd say from the neuberger driven program we are really happy with the performance to date.

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00:06:52.230 --> 00:07:01.170

Kennedy, Maura: We can drill down into each of the the commitments that we've made, but this is a weighted average.

61

00:07:02.580 --> 00:07:12.870

Kennedy, Maura: portfolio that is written up to 1.4 times are invested capital in, say, a year, a year and a half.

62

00:07:13.590 --> 00:07:25.860

Kennedy, Maura: What it says i'd like to manage expectations that's pretty remarkable performance and we expect to kind of keep at that level in the future, but the fact that we're able to.

63

00:07:26.520 --> 00:07:38.160

Kennedy, Maura: Use the scale of the entire Greenwich portfolio, to be able to kind of cherry pick what we think are some of the best investments that we're making as a platform.

64

00:07:38.550 --> 00:07:49.830

Kennedy, Maura: giving you diversification through our crossroads funds through a Co investment aggregator vehicles, but also to kind of cherry pick some of these direct investments.

65

00:07:50.610 --> 00:08:06.600

Kennedy, Maura: either direct secondaries or primaries that we're making into some of who we think are the best private equity firms in the world were able to create this attractive portfolio, but do it in a way that is incredibly cost effective.

66

00:08:07.830 --> 00:08:15.090

Kennedy, Maura: I know i'm a broken record but i've said it a bunch of times the easiest way to outperform in private equity is to cut out a layer fee.

67

00:08:15.720 --> 00:08:22.650

Kennedy, Maura: And that's what we're able to achieve for the town through this portfolio by using our direct co investments and.

68

00:08:22.980 --> 00:08:42.480

Kennedy, Maura: Our diversified portfolios, where the town is paying a single layer of fee that is incredibly cost advantageous so in terms of big picture, the portfolio performed well over the year kind of withstood the code headwinds and I think is in a very good place today.

69

00:08:43.560 --> 00:08:46.500

Kennedy, Maura: And kind of poised for growth going forward.

70

00:08:48.390 --> 00:08:48.900

Kennedy, Maura: So, Joe.

71

00:08:50.850 --> 00:08:58.650

Mike Wacek: Oh Sorry, I have a question the The numbers are showing this page, are

they are they just the last year or they inception today.

72

00:08:59.280 --> 00:09:00.450

Kennedy, Maura: These are inception to date.

73

00:09:01.080 --> 00:09:07.050

Mike Wacek: Okay, and I noticed you don't have any sub totals or totals when it comes to irr what was that.

74

00:09:08.550 --> 00:09:20.670

Kennedy, Maura: um so Andrew you can kind of give us that and that's more so, on the day page up front right in terms of what the portfolio.

75

00:09:20.700 --> 00:09:22.200

Kennedy, Maura: As a whole page 11 has.

76

00:09:22.200 --> 00:09:22.530

done.

77

00:09:23.670 --> 00:09:35.010

White, Andrew: yeah so we report it to make it a little bit more consistent with the public markets, we have a composite for private markets and that's included when we do the the quarterly reporting and attribution.

78

00:09:35.790 --> 00:09:37.860

White, Andrew: looks this way more apples to apples.

79

00:09:37.980 --> 00:09:39.240

Joe Pellegrino: let's pause there for a moment.

80

00:09:39.930 --> 00:09:48.600

Joe Pellegrino: This is nice, I understand that you like multiple world of what you just talked about I live in the world of what's the internal rate of return.

81

00:09:49.110 --> 00:10:03.090

Joe Pellegrino: For us, because I can look at the internal rate of return for the public markets, so what is the historic return for the stuff year 2017 calendar year 18 calendar year 19.

82

00:10:03.510 --> 00:10:16.620

Joe Pellegrino: And I realized you just got your marks for calendar year 20 so you may not have it, but maybe you can give us an estimate how does this translate into the return irr on this investment pool.

83

00:10:18.480 --> 00:10:24.810

Savinelli, Michael: Joe just to tackle the first question about calendar year we do have that P adjusted reporting we've been doing for the.

84

00:10:24.810 --> 00:10:26.880

White, Andrew: Town calendar year 2018.

85

00:10:27.300 --> 00:10:44.460

Savinelli, Michael: was about a 10% private market return calendar year 2019 was about a 12% on the p adjusted time weighted return series, so we have that we will work on the.

86

00:10:45.270 --> 00:10:53.820

Savinelli, Michael: it's always a lag because, when the marks come in and to make sure that's normalized but for reference, those are the prior calendar years that we've done so far.

87

00:10:54.420 --> 00:10:55.710

Mike Wacek: What were those numbers again Mike.

88

00:10:56.010 --> 00:11:05.850

Savinelli, Michael: i'll get the exact numbers it's 10% 10 point something percent for 20 1812 point something percent for.

89

00:11:07.320 --> 00:11:08.070

Savinelli, Michael: From the.

90

00:11:09.420 --> 00:11:17.910

Savinelli, Michael: adjusted return perspective so adjusted to 1231 marks versus public markets during those time periods.

91

00:11:19.050 --> 00:11:22.920

Joe Pellegrino: pull up know, while we're talking what were what were the.

92

00:11:24.780 --> 00:11:30.030

Joe Pellegrino: Public market returns for those years, so I can understand apples to apples.

93

00:11:30.300 --> 00:11:32.010

White, Andrew: and appreciate that okay.

94

00:11:32.250 --> 00:11:34.650

Joe Pellegrino: Back to more page.

95

00:11:34.680 --> 00:11:35.040

20.

96

00:11:36.390 --> 00:11:38.130

Joe Pellegrino: High chair what's going on.

97

00:11:39.180 --> 00:11:40.920

Joe Pellegrino: private credit audit.

98

00:11:40.950 --> 00:11:47.850

Joe Pellegrino: yeah only 10 of oh nine and a half percent return okay that's okay fine.

99

00:11:48.270 --> 00:11:48.600

Joe Pellegrino: So the.

100

00:11:48.660 --> 00:11:52.260

Joe Pellegrino: oak tree, we know was a disaster and that's not getting any better.

101

00:11:52.470 --> 00:11:56.760

Kennedy, Maura: yeah it was a really bad vintage year and they're a great firm but.

102

00:11:57.300 --> 00:11:58.230

Joe Pellegrino: we're just in the wrong one.

103

00:11:58.650 --> 00:12:01.350

Joe Pellegrino: Primary credit okay monro from.

104

00:12:02.820 --> 00:12:22.860

Kennedy, Maura: Someone row we actually back Monroe from primary standpoint, we came neuberger is a platform came into the most recent fun, but we went into the leverage structure so kind of for you guys are in the undelivered structure, this is not an investment that neuberger made on your behalf.

105

00:12:23.700 --> 00:12:25.410

Kennedy, Maura: But it's a good name.

106

00:12:25.740 --> 00:12:29.160

Kennedy, Maura: And kind of performing in line with.

107

00:12:29.370 --> 00:12:31.050

Kennedy, Maura: around what you would expect, for an.

108

00:12:31.050 --> 00:12:31.530

White, Andrew: uncovered.

109

00:12:32.010 --> 00:12:32.610

A structure.

110

00:12:35.280 --> 00:12:35.700

White, Andrew: Okay.

111

00:12:36.570 --> 00:12:37.590

Kennedy, Maura: still has.

112

00:12:38.670 --> 00:12:42.720

Kennedy, Maura: Over 60 investments in it so it's just chugging along.

113

00:12:43.620 --> 00:12:46.470

Joe Pellegrino: So we just got fit half of our return back on it okay.

114

00:12:47.100 --> 00:12:48.090

Kennedy, Maura: All right here about 50.

115

00:12:48.870 --> 00:12:49.830

Joe Pellegrino: Big funds.

116

00:12:49.860 --> 00:13:00.780

Joe Pellegrino: Would it, what do you think energies up again, are these funds ever going to come back to having even a decent return, or is this really going to be dead money until they close these funds out.

117

00:13:04.170 --> 00:13:06.030

Kennedy, Maura: I don't think they will.

118

00:13:08.070 --> 00:13:08.280

White, Andrew: Be.

119

00:13:09.600 --> 00:13:10.140

Kennedy, Maura: cost.

120

00:13:13.170 --> 00:13:20.310

Kennedy, Maura: I would be excited to be north of cost for these investments at at the end of the day.

121

00:13:21.990 --> 00:13:34.950

Kennedy, Maura: I don't think they're going to come back know what I take prospectively is we, as a platform manage some separate accounts that have a focus on infrastructure, energy it more specifically.

122

00:13:35.820 --> 00:13:42.300

Kennedy, Maura: But for our commingled funds, we are not actively committing to energy investments.

123

00:13:43.260 --> 00:13:53.790

Kennedy, Maura: We like in private equity, to be able to control the outcome and improve a company fundamentally make it worth more and energy has kind of this.

124

00:13:54.330 --> 00:14:07.200

Kennedy, Maura: Is outside force that determines returned to it's not it's not a an industry that we are pursuing within private equity outside of those specific investors who want it.

125

00:14:10.650 --> 00:14:17.910

Kennedy, Maura: And I know that we've talked about i'm thinking about selling these on a secondary market their their credit, so they don't.

126

00:14:18.000 --> 00:14:18.690

Kennedy, Maura: Go for.

127

00:14:18.960 --> 00:14:21.660

Kennedy, Maura: Great returns on the secondary market.

128

00:14:22.110 --> 00:14:29.940

Kennedy, Maura: If you look at kind of I sorted by percentage of the portfolio.

129

00:14:31.410 --> 00:14:38.850

Kennedy, Maura: yeah 16 is actually almost 4% of the portfolio so so it's actually relatively significant.

130

00:14:39.990 --> 00:14:58.140

Kennedy, Maura: From a allocation standpoint, what I could do is dominic and I could talk to our secondary team and see if there is an interested buyer and, if so, where they would come out is that something that would be appealing to the board.

131

00:15:00.630 --> 00:15:03.750

Joe Pellegrino: Not the other just the answers, yes okay.

132

00:15:05.160 --> 00:15:13.710

Kennedy, Maura: it's only because, to try and get rid of this exposure and and importantly it's more so redeploy.

133

00:15:14.490 --> 00:15:15.960

Kennedy, Maura: into what we think are.

134

00:15:16.170 --> 00:15:18.450

Kennedy, Maura: better performing opportunities.

135

00:15:19.560 --> 00:15:23.790

Joe Pellegrino: And we don't to pine Ridge now i'm sure thousand and eight.

136

00:15:24.090 --> 00:15:25.050

Kennedy, Maura: me yeah it's.

137

00:15:28.350 --> 00:15:28.950

Kennedy, Maura: it's.

138

00:15:30.090 --> 00:15:32.670

Kennedy, Maura: it's a very poor performer very poor performer.

139

00:15:33.780 --> 00:15:34.650

Joe Pellegrino: Well, do you know what.

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00:15:37.290 --> 00:15:46.290

Kennedy, Maura: They have since kind of changed leadership a couple of times their uh their competitor of ours.

141

00:15:48.330 --> 00:15:49.350

Kennedy, Maura: And they.

142

00:15:50.400 --> 00:15:57.540

Kennedy, Maura: Frankly, had a diversified portfolio, most of which did not perform and they made the wrong choices.

143

00:15:58.950 --> 00:16:07.560

Kennedy, Maura: But their competitors I don't I can't dig super deep deep another competitor of ours harbor vest you have good exposure to it and they've performed.

144

00:16:07.680 --> 00:16:16.350

Kennedy, Maura: Well, for you know yeah yeah these these guys and also private advisors has just been super super super slow and.

145

00:16:16.410 --> 00:16:19.410

Joe Pellegrino: last question I have is maybe the last question.

146

00:16:21.930 --> 00:16:24.000

Joe Pellegrino: we've made some recent investments with you.

147

00:16:24.450 --> 00:16:33.450

Joe Pellegrino: yeah no opportunistic stuff that dial the clo opportunity yeah premiere out, etc.

148

00:16:33.900 --> 00:16:34.260

Kennedy, Maura: yeah I.

149

00:16:34.350 --> 00:16:45.780

Joe Pellegrino: Think, I mean it's very hard to judge something on a short period of time, you really think that these performance numbers are going to hold up or is this just a very nice.

150

00:16:45.870 --> 00:16:50.010

Joe Pellegrino: So marked it up, and we feel good about it but.

151

00:16:50.310 --> 00:16:55.320

Joe Pellegrino: When you're looking back and saying well, maybe they weren't as good as we initially thought they were.

152

00:16:56.160 --> 00:17:08.100

Kennedy, Maura: The one thing i'll make very clear to the board, we neuberger are not marking these investments Okay, we are a fund investor, we are a secondary investor and we're co investor.

153

00:17:08.700 --> 00:17:14.730

Kennedy, Maura: So, each time we are partnering with who we think are the best PE firms in the world, and they are marking.

154

00:17:15.570 --> 00:17:27.600

Kennedy, Maura: their portfolios and we, as a co investor are taking their mark it's called the practical expedient so it's not us determining the marks of these investment it's the lead private equity firm.

155

00:17:29.490 --> 00:17:37.260

Kennedy, Maura: What I said up front about managing expectations private equity has done really well and, frankly, in the past 10 years.

156

00:17:38.700 --> 00:17:49.080

Kennedy, Maura: The s&p has been a rocket ship but private equity has been steadily performing incredibly well part of that is private equities ability to identify really attractive companies that are less.

157

00:17:49.470 --> 00:18:00.360

Kennedy, Maura: dependent on cyclicalilty where you can use a portion of leverage and and truly improve these companies, private equity has tended towards.

158

00:18:01.470 --> 00:18:09.840

Kennedy, Maura: industries that have performed well tech being one of them, we have some tech exposure in this portfolio so some of its kind of.

159

00:18:10.230 --> 00:18:21.180

Kennedy, Maura: The public markets are driving the public comps obviously the private equity managers are using so some of its from there, and some of its from fundamentally improving these companies.

160

00:18:22.260 --> 00:18:33.360

Kennedy, Maura: Again, to manage expectations, a portfolio that we've built for you, that has a weighted average age of about a year being marked to 1.4 is incredible.

161

00:18:34.560 --> 00:18:34.830

Kennedy, Maura: So.

162

00:18:35.100 --> 00:18:35.790

Joe Pellegrino: i'm asking you.

163

00:18:36.420 --> 00:18:37.620

Kennedy, Maura: yeah yeah.

164

00:18:39.420 --> 00:18:45.660

Kennedy, Maura: So when you do a secondary initially you have kind of a pop in terms of the return.

165

00:18:46.530 --> 00:18:55.560

Kennedy, Maura: But we actually don't have much of that here we have an exposure to our strategic capital fund, which may have a little bit of a pop in terms of irr.

166

00:18:56.160 --> 00:19:06.420

Kennedy, Maura: But I think ultimately kind of if I think 20 to 20 ish percent irr and, at the end of the portfolio life that that's kind of what we're underwriting to.

167

00:19:07.950 --> 00:19:16.770

Joe Pellegrino: Let me just summarize what I think i've heard open up to questions from the board and other members of the audience what I heard is.

168

00:19:17.760 --> 00:19:26.940

Joe Pellegrino: The stuff that we've gotten into with numbers and certainly stuff

we've done recently let's say over the last two years or so, by and large looks pretty good so.

169

00:19:27.840 --> 00:19:37.320

Joe Pellegrino: Plus there um when we look at the historic stuff we got a couple lemons and we got some really good performance plans, and so, by and large okay.

170

00:19:39.090 --> 00:19:49.770

Joe Pellegrino: What I also heard was we should expect 300 basis points over the public markets okay that's kind of the ballpark or you should be having expectations for.

171

00:19:50.850 --> 00:20:03.150

Joe Pellegrino: So when I look at this private equity portfolio, and I mean that credit real estate at glue um it's a diversifier okay I buy that and it's added value, I think i'd buy that.

172

00:20:03.510 --> 00:20:14.610

Joe Pellegrino: i'll buy it more when you are very explicit explicit with what is the irr is net adjusted for this over the same period of time in the in the public markets.

173

00:20:15.630 --> 00:20:25.980

Joe Pellegrino: that's my takeaway now open to whatever comments questions do the trustees have or mark BT or or to lose.

174

00:20:28.080 --> 00:20:28.830

Joe Pellegrino: Anybody there.

175

00:20:30.990 --> 00:20:36.270

Mike Wacek: yeah, I guess, let me know i'm happy with what i've heard so far.

176

00:20:37.680 --> 00:20:46.500

Mike Wacek: And I would I noticed Mara you know hedged on joe's question about whether this recent performance is sustainable.

177

00:20:47.790 --> 00:20:55.680

Mike Wacek: And I mean, I think we all know, Joe that it's it's not I mean we, the recent past has been extraordinary.

178

00:20:56.220 --> 00:21:05.280

Mike Wacek: And it's probably not it's probably going to revert a little bit more toward the mean, even if the mean for the private markets is higher than for the public.

179

00:21:06.540 --> 00:21:09.960

Mike Wacek: We can't get too excited about this so but i'm okay with that.

180

00:21:10.380 --> 00:21:16.980

Kennedy, Maura: i'm okay with that I agree with that statement, and thank you for making it to the board.

181

00:21:19.020 --> 00:21:23.760

Mike Wacek: But I so when we're at an appropriate point I just like to.

182

00:21:25.500 --> 00:21:37.410

Mike Wacek: hear a little bit about what the pacing plan is more I knows that that's a keen interest of mine okay what's that How does it, how are we looking to deploy in the next few years, and how does that.

183

00:21:38.070 --> 00:21:44.130

Mike Wacek: fit with the allocation strategy to to private markets, but we can wait till an appropriate time for that.

184

00:21:44.760 --> 00:21:50.460

Kennedy, Maura: One thing i'd say about that specific point also is we are working towards Naf targets.

185

00:21:52.590 --> 00:22:09.480

Kennedy, Maura: neta the value of the portfolio, so we have to marry our commitment strategy with the expected valuation that and we're using historical median valuation there.

186

00:22:10.560 --> 00:22:27.720

Kennedy, Maura: And we are in a period of enhanced valuations right now so we're kind of in a constant state of re evaluating what our commitment plan is, in light of how the portfolio is performing so if there's.

187

00:22:28.350 --> 00:22:34.830

Kennedy, Maura: Can using his store using history is kind of what we use for our model because that's appropriate.

188

00:22:35.460 --> 00:22:48.180

Kennedy, Maura: But, taking into account what's actually happening in the portfolio and distribution activity has been pretty high, but valuations are also high so kind of marrying all those aspects to come up with what we think and appropriate.

189

00:22:48.570 --> 00:23:05.580

Kennedy, Maura: Our commitment plan is that will over shoot our target but also importantly doesn't undershoot our target is something that we're kind of constantly working on who i'm happy to go there if that makes sense for the board to talk about what our prospective commitment plan is.

190

00:23:07.140 --> 00:23:08.250

Kennedy, Maura: All right, do you do.

191

00:23:08.550 --> 00:23:08.850

Mike Wacek: Far.

192

00:23:08.940 --> 00:23:11.280

Mike Wacek: More as your as you're moving the.

193

00:23:12.720 --> 00:23:17.010

Mike Wacek: I understand that it's hard, I mean it's a it's a moving target.

194

00:23:17.520 --> 00:23:17.850

Kennedy, Maura: yeah the.

195

00:23:17.880 --> 00:23:19.350

Mike Wacek: most important thing.

196

00:23:19.440 --> 00:23:20.880

Mike Wacek: That I heard you say.

197

00:23:21.120 --> 00:23:26.490

Mike Wacek: Was that you're constantly looking at it, so I mean the worst thing would be just going to play.

198

00:23:29.760 --> 00:23:44.460

Kennedy, Maura: It and you're not alone in, and I wanted to make that clear in terms

of the way that we're planning your portfolio we manage many portfolios for custom clients that have similar needs.

199

00:23:44.880 --> 00:23:54.540

Kennedy, Maura: And it's often a moving target so we're kind of constantly refining our thoughts to be able to come up with what we think is the most appropriate.

200

00:23:55.020 --> 00:24:11.340

Kennedy, Maura: plan, but we're doing it for you we're doing it for other pension funds sovereign wealth funds, etc, so it yeah it's something we're constantly changing and we're thinking about a constantly trying to refine but did you do you want to walk through.

201

00:24:11.820 --> 00:24:13.740

Joe Pellegrino: don't really need it, if nobody else needs it.

202

00:24:14.640 --> 00:24:15.990

Mike Wacek: Right so so this.

203

00:24:16.110 --> 00:24:22.260

Mike Wacek: This shows the projected growth, but what about the deployment expected okay yeah, this is it.

204

00:24:22.800 --> 00:24:29.970

Drenckhahn, Dominique: So so page 16 goes through our expected commitment plan and again, as I said, this is something that we are remodeling.

205

00:24:30.600 --> 00:24:38.640

Drenckhahn, Dominique: At least annually and more frequently specifically as we change things on the public sideso we're in constant contact with Eric and.

206

00:24:39.180 --> 00:24:55.680

Drenckhahn, Dominique: and Andrew kind of thinking about what the tactical next year will look like and but under current state and what what we've been looking at right now the portfolio is has been doing well we've pulled back our commitments, a bit to 20 million is is not.

207

00:24:56.850 --> 00:25:04.410

Drenckhahn, Dominique: out of line with kind of what we were planning around last year, but it's a little bit slower than we have been in the last couple years.

208

00:25:04.830 --> 00:25:13.560

Drenckhahn, Dominique: And you can see, on page 17, this is the output of our stochastic model which is a Monte Carlo simulation using historical media and returns, which of course.

209

00:25:13.800 --> 00:25:28.110

Drenckhahn, Dominique: Some of the portfolio has outperformed thus far, so we are a bit above target on the 24%, but we are below the 20% maximum so we're trying to manage a bit to continually getting you access to those.

210

00:25:28.530 --> 00:25:39.960

Drenckhahn, Dominique: best ideas and kind of what we think would benefit the portfolio overall in the next few years, while also keeping the NAB the private markets oil kind of within this band.

211

00:25:40.980 --> 00:25:48.390

Joe Pellegrino: which you know you actually have more flexibility than what you're showing here, because if you really had, and you will, and this is a positive comment.

212

00:25:48.870 --> 00:26:00.030

Joe Pellegrino: critical comment yeah great opportunities opportunistic opportunities for us, we would surely take those and just sell out the big investment money you don't you're not constrained.

213

00:26:00.030 --> 00:26:02.250

Joe Pellegrino: yeah why that for a nanosecond.

214

00:26:02.880 --> 00:26:14.790

Kennedy, Maura: Okay, good and i'm, thank you for saying that that's how we feel, and we want to approach it and and we do with most of our clients, but certain have very strict very strict rules.

215

00:26:15.480 --> 00:26:16.170

Kennedy, Maura: About kind of.

216

00:26:16.710 --> 00:26:19.200

Joe Pellegrino: The game here is making money period.

217

00:26:19.230 --> 00:26:20.100

Joe Pellegrino: yeah so.

218

00:26:20.160 --> 00:26:34.560

Kennedy, Maura: I think about things like that premier a secondary that we were able to do that Th Lee secondary that we're able to do directly from the towns portfolio into these transactions.

219

00:26:35.070 --> 00:26:45.600

Kennedy, Maura: With a very minimal with very minimal economics, these are awesome opportunities that we're thrilled to be able to include in the portfolio and we don't want to stop.

220

00:26:47.400 --> 00:27:00.540

Joe Pellegrino: I would ask you to absolutely not turn down any opportunities for us because you think that's just not acceptable okay cause any great opportunity is better than the half dozen dialogues that we have.

221

00:27:02.310 --> 00:27:02.700

Joe Pellegrino: understand.

222

00:27:04.380 --> 00:27:10.500

Mike Wacek: Okay yeah just I mean Joe just so you're not misunderstood you're not suggesting that we should dump the dogs.

223

00:27:10.500 --> 00:27:11.640

Oh any price.

224

00:27:13.110 --> 00:27:13.890

Kennedy, Maura: We would not do that.

225

00:27:15.570 --> 00:27:16.350

Joe Pellegrino: So on getting.

226

00:27:17.100 --> 00:27:17.400

Yes.

227

00:27:19.110 --> 00:27:21.030

Joe Pellegrino: Okay, yes alright so that's.

228

00:27:22.200 --> 00:27:23.700

Joe Pellegrino: The only thing i'd say Mike to.

229

00:27:24.360 --> 00:27:28.380

Joe Pellegrino: Personally, you can't see more than a year out, in this stuff anyway.

230

00:27:28.650 --> 00:27:29.460

Mike Wacek: I don't.

231

00:27:29.580 --> 00:27:32.880

Joe Pellegrino: You know, making people feel good about something come on this.

232

00:27:34.680 --> 00:27:35.970

Joe Pellegrino: Time let's move on.

233

00:27:37.080 --> 00:27:44.400

Mike Wacek: maura of the 20 million that you've got slated for commitment this year now, these are calendar years right.

234

00:27:44.880 --> 00:27:45.210

Kennedy, Maura: mm hmm.

235

00:27:46.350 --> 00:27:47.730

Mike Wacek: How much have we already deployed.

236

00:27:50.490 --> 00:27:51.150

Kennedy, Maura: um.

237

00:27:52.530 --> 00:27:55.680

Kennedy, Maura: We actually in 21 we haven't made.

238

00:27:55.740 --> 00:27:56.670

Mike Wacek: Nothing zero.

239

00:27:57.150 --> 00:27:58.080

Kennedy, Maura: And yet we have a.

240

00:27:58.500 --> 00:28:00.780

Kennedy, Maura: No, sorry the two secondaries to to direct.

241

00:28:00.780 --> 00:28:01.290

Joe Pellegrino: Somebody.

242

00:28:01.440 --> 00:28:03.960

Savinelli, Michael: To secondaries and in a real estate.

243

00:28:04.980 --> 00:28:06.810

Kennedy, Maura: Did almanac and almanac close.

244

00:28:06.900 --> 00:28:08.340

Kennedy, Maura: Okay, so we're have.

245

00:28:09.360 --> 00:28:23.220

Kennedy, Maura: 788 point 2 million has been committed during 2021 our idea would be to do our secondaries funder commingled secondaries fun.

246

00:28:24.750 --> 00:28:27.450

Kennedy, Maura: And our private credit fund.

247

00:28:28.530 --> 00:28:30.000

Kennedy, Maura: During 2021.

248

00:28:31.080 --> 00:28:38.430

Kennedy, Maura: But kind of reserve the right to look at certain direct transactions for the town.

249

00:28:39.450 --> 00:28:43.620

Kennedy, Maura: Because again, those are opportunistic in nature, as of course you would assume.

250

00:28:44.640 --> 00:28:50.250

Kennedy, Maura: So they're they're harder to plan for, but when they come will we'd like to pursue them.

251

00:28:52.950 --> 00:28:55.530

Joe Pellegrino: All right, um other.

252

00:28:55.620 --> 00:29:01.590

Joe Pellegrino: Questions I know we got got Dan here, we got Scott, we got Miriam you have.

253

00:29:02.130 --> 00:29:03.720

Peter Mynarski: Nice Oh, can I ask one question.

254

00:29:04.050 --> 00:29:05.190

Joe Pellegrino: yeah pete go ahead.

255

00:29:05.280 --> 00:29:07.320

Peter Mynarski: yeah through you to Michael seven la.

256

00:29:08.460 --> 00:29:27.690

Peter Mynarski: You talked about the internal rate of return 10 something 12 something to the two years gut feel any surprises, and now you don't have them yet for 20 any surprises with the coven as far as the return internal rate of returns, you were not looking at a negative number or anything right.

257

00:29:29.670 --> 00:29:30.630

Kennedy, Maura: No, no.

258

00:29:30.690 --> 00:29:37.950

Savinelli, Michael: No more you can tackle this so you know I think we've talked about in the past how not surprised, but.

259

00:29:38.520 --> 00:29:44.670

Savinelli, Michael: relieved that some of the real estate recent real estate investments, particularly with regard to the hospitality.

260

00:29:45.240 --> 00:29:58.320

Savinelli, Michael: Direct Investment hospitality related direct investment has performed through a particularly difficult time period, so if there are any surprises it's that things held up as well as they did.

261

00:29:59.460 --> 00:30:03.450

Savinelli, Michael: More out or what you applying on any other investments as well.

262

00:30:04.920 --> 00:30:09.120

Joe Pellegrino: I don't think so the question investments, I think pizza asking, are we going to get a 10% return.

263

00:30:09.180 --> 00:30:10.800

Peter Mynarski: Now, yes that's what i'm asking.

264

00:30:10.890 --> 00:30:11.670

Joe Pellegrino: Is the question.

265

00:30:14.400 --> 00:30:16.740

Savinelli, Michael: Are we going to get a 10% and calendar year 2020.

266

00:30:16.800 --> 00:30:18.420

Joe Pellegrino: yeah we're good.

267

00:30:21.630 --> 00:30:23.040

Savinelli, Michael: More, what is your.

268

00:30:23.100 --> 00:30:25.590

Kennedy, Maura: Listening I think it'd be north of 10.

269

00:30:26.010 --> 00:30:27.450

Joe Pellegrino: I need to know.

270

00:30:27.480 --> 00:30:29.190

Joe Pellegrino: P you're gonna be okay we're not gonna happen.

271

00:30:29.580 --> 00:30:30.120

Peter Mynarski: All right.

272

00:30:31.080 --> 00:30:31.620

Peter Mynarski: Thank you.

273

00:30:31.770 --> 00:30:33.450

Joe Pellegrino: next question anybody.

274

00:30:34.320 --> 00:30:36.450

Dan Ozizmir: So Steve I mean Joe this is Dan.

275

00:30:38.610 --> 00:30:41.520

Dan Ozizmir: Just one comment, I totally agree that we should look at.

276

00:30:42.540 --> 00:30:48.000

Dan Ozizmir: You know what kind of clearing levels, we can do on the dogs and the private equity portfolio.

277

00:30:49.530 --> 00:30:56.790

Dan Ozizmir: So totally endorse that I think the and I think when we get the bids on those obviously we may not love the bids, but.

278

00:30:57.330 --> 00:31:06.810

Dan Ozizmir: Secondary opportunities that that cash freeze up um you know, are very promising, I think we should consider that in kind of the.

279

00:31:07.290 --> 00:31:20.130

Dan Ozizmir: process, the second thing I would say, is, I want to get a sense of the mark show up a lot in the last year, but how are we doing on distributions and realizations of the five lucky portfolio is that going well, is that going as expected.

280

00:31:22.770 --> 00:31:36.960

Kennedy, Maura: So yes, from your kind of more diversified portfolios i'm like you're more your harbor best your I think private advisors had had a little bit of realization landmark.

281

00:31:38.220 --> 00:31:49.500

Kennedy, Maura: From the newer stuff we're still pretty light on distributions are real estate secondaries fund is about a 30% return, which is to have an 18.

282

00:31:50.460 --> 00:31:59.160

Kennedy, Maura: fund, which is, which is pretty good our credit investment theory is about a little over 30% return, but on the private equity stuff.

283

00:31:59.460 --> 00:32:09.930

Kennedy, Maura: outside of the direct secondaries that we've done it's it's relatively minimal distributions over the last year, as one would expect because they're pretty early.

284

00:32:11.610 --> 00:32:21.210

Kennedy, Maura: But there has been some healthy distribution activity from your legacy portfolio, as one would expect, so I would take in line Dan Thank you.

285

00:32:25.980 --> 00:32:26.880

Scott Kalb: question, if I may.

286

00:32:29.430 --> 00:32:31.770

Scott Kalb: hi how you doing i'm good.

287

00:32:33.330 --> 00:32:46.080

Scott Kalb: My question is it's a little different but i'm just wondering what your strategy is regarding the technology space overall that's been a huge driver and last year, we found during cope with.

288

00:32:46.830 --> 00:32:55.620

Scott Kalb: The technology was really the mvp of the markets and kept it kept us entertained it kept us, you know able to.

289

00:32:56.760 --> 00:33:09.600

Scott Kalb: buy things and sell things and really perform loosely but this year it's up only about the you know the nasdaq's only have about half as much as there is the full index and you're seeing people shifting their strategies.

290

00:33:11.790 --> 00:33:22.050

Scott Kalb: And with private equity of course we're kind of locked in so i'm just wondering how you're thinking about this in terms of your risk management and overall strategic positioning.

291

00:33:23.310 --> 00:33:41.220

Scott Kalb: Do you think that it's still, it makes sense to approach technology from the private side now what's our overall exposure to this to to take down technology in general, and you know how we want to position, it looks like there's no more opportunity for multiple expansion.

292

00:33:41.820 --> 00:33:42.450

Kennedy, Maura: I agree with you.

293

00:33:44.520 --> 00:33:46.770

Kennedy, Maura: know how they could expand further a great.

294

00:33:47.520 --> 00:33:58.800

Scott Kalb: Growth, you know they still growing it better than you know move up with growth, but you know you know what's your what are you guys thinking about this, I mean a lot yeah alright, so I.

295

00:33:58.830 --> 00:34:00.120

Kennedy, Maura: know I know you're.

296

00:34:01.170 --> 00:34:03.150

Kennedy, Maura: very topical and.

297

00:34:04.350 --> 00:34:08.460

Kennedy, Maura: i'll try and answer it in two different ways, with kind of market statistics.

298

00:34:09.540 --> 00:34:18.570

Kennedy, Maura: The first is that in 2010 technology represented 14% of P transactions, whereas in.

299

00:34:19.740 --> 00:34:28.530

Kennedy, Maura: It was 25% so private equity has moved into technology in a relatively big way.

300

00:34:29.730 --> 00:34:40.140

Kennedy, Maura: Another thing i'd say is, if you look at what how we're modeling transactions now versus in the past, so in 2015.

301

00:34:41.430 --> 00:34:50.250

Kennedy, Maura: Only half of the companies did that we invested in did we expect a growth of 5% plus but in.

302

00:34:51.570 --> 00:35:03.390

Kennedy, Maura: 100% of the companies that we invest in we expected 5% or more growth and 50% of the companies we expected growth of over 10% so.

303

00:35:04.290 --> 00:35:16.560

Kennedy, Maura: To answer your question with the exact facts that you were kind of giving us there's growth that we're expecting and we in many of the.

304

00:35:17.040 --> 00:35:24.630

Kennedy, Maura: The investments that we're making in technology and really across the board we're assuming multiple compression.

305

00:35:25.230 --> 00:35:37.950

Kennedy, Maura: But getting the return from growth from margin improvement from a geographic expansion, etc, etc, etc, so kind of thinking about valuations.

306

00:35:38.610 --> 00:35:54.120

Kennedy, Maura: We can't we can't fathom increased valuation in in the future so even evaluations come down actually fundamentally improving those companies and growing those companies get to that 20 ish percent return.

307

00:35:55.200 --> 00:35:59.550

Kennedy, Maura: So you have exposure to technology in the portfolio.

308

00:36:01.260 --> 00:36:11.460

Kennedy, Maura: I think a healthy allocation to technology I don't know off the top of my head looking through all of the the Fund to fund exposure that you have it it's difficult to say exactly.

309

00:36:12.240 --> 00:36:21.000

Kennedy, Maura: But i'd say the call investment pooling vehicles that we put together for you and our our diversified portfolios probably have a kind of 15.

310

00:36:21.660 --> 00:36:23.850

Kennedy, Maura: ish percent allocation to technology.

311

00:36:24.720 --> 00:36:35.520

Kennedy, Maura: But with the best private equity managers in the world it's insight it's Toma bravo it's vista they know what they're doing they understand the playbook and they're applying that playbook.

312

00:36:35.940 --> 00:36:42.570

Kennedy, Maura: At some elevated valuations but they're buying market leading companies that they're expecting real growth.

313

00:36:46.500 --> 00:36:49.140

Scott Kalb: So you're comfortable to continue to allocate in that direction.

314

00:36:50.220 --> 00:36:58.620

Kennedy, Maura: With the tone of bravo's with the vistas who who know what they're doing and are only buying companies who.

315

00:36:59.700 --> 00:37:09.480

Kennedy, Maura: I daresay deserve certain valuations that they're paying for them, because there is the opportunity for growth and also the opportunity to improve margin.

316

00:37:10.230 --> 00:37:20.700

Joe Pellegrino: So I interpret that Scott, yes, this confidence in the quality of those managers and they're going to make investments that they hope are going to grow into their valuations.

317

00:37:21.330 --> 00:37:22.110

Kennedy, Maura: yeah yeah.

318

00:37:23.460 --> 00:37:27.960

Joe Pellegrino: I will tell okay i'm Miriam you just got you okay you're done.

319

00:37:28.920 --> 00:37:30.720

Scott Kalb: Yes, thank you, thank you.

320

00:37:30.840 --> 00:37:31.800

Joe Pellegrino: area Europe.

321

00:37:32.280 --> 00:37:38.220

Miriam Kreuzer: Thank you good morning everyone up just to close the loop it's more of a comment, just to close the loop on joe's question early on in the meeting.

322

00:37:39.390 --> 00:37:43.650

Miriam Kreuzer: On the return comparisons to the public market so.

323

00:37:45.630 --> 00:37:52.710

Miriam Kreuzer: 10% on private equity, I think, is what Mike said, the market was down 4% as some people's down 4%.

324

00:37:54.330 --> 00:38:05.670

Miriam Kreuzer: I think Mike said 12% or so and the market was up 31% so obviously

you know less volatility normal private equity up 14 you know.

325

00:38:07.020 --> 00:38:25.440

Miriam Kreuzer: Positive up 14 that first year negative 19 that second year, so next I guess for 2020 we're looking at a COMP of 18.4 on the s&p so we'll see where that comes in, I mean obviously this is just a couple of years, statistically not very significant we're looking over the long term, but.

326

00:38:25.560 --> 00:38:26.040

Kennedy, Maura: interesting.

327

00:38:26.190 --> 00:38:27.330

Miriam Kreuzer: I thought just a report.

328

00:38:27.750 --> 00:38:38.910

Joe Pellegrino: is interesting as them, and I think what I heard you say really is the private investments will probably be within a narrow or ban of volatility.

329

00:38:39.450 --> 00:38:45.990

Joe Pellegrino: And over long periods of time, you would hope that the liquidity premium let's call it.

330

00:38:46.980 --> 00:38:56.010

Joe Pellegrino: pays off in the returns and my only comment is I think that's right, and I think that's why we have it, and we want to add value I get all that.

331

00:38:56.550 --> 00:39:02.730

Joe Pellegrino: um well your personal opinion i'll just add put this out there, so that everybody knows my own thought processes.

332

00:39:03.270 --> 00:39:17.220

Joe Pellegrino: This is an incredible industry that's been built around making money for the people that are in it on the premise that you can get the investors I eat us on this 300 basis points premium.

333

00:39:18.000 --> 00:39:29.340

Joe Pellegrino: And the real question and never one, no one can ever really answer is, and what price because stunning the transactions fees, the advisor fees, the.

334

00:39:30.150 --> 00:39:47.610

Joe Pellegrino: Management fees, the oh this fee and that feel and then it's 1% or 2% and then it's 20% it's stunning, but this industry has been perpetuated the way it has been all because investors are starving, for any kind of.

335

00:39:48.120 --> 00:39:58.920

Joe Pellegrino: longer term performance above the public markets that's what this is all about, and I think nobody shouldn't have a disillusion about what we're doing.

336

00:39:59.280 --> 00:40:18.540

Joe Pellegrino: Which is making a lot of money for a lot of individuals for incremental performance for our fun that's my little diatribe Okay, I think we're done with private equity um what's next agenda we have it somewhere, I hope, please.

337

00:40:21.450 --> 00:40:24.990

Kennedy, Maura: hey Joe and Mike I can stay on for a SEC.

338

00:40:26.160 --> 00:40:28.470

Kennedy, Maura: If you guys want to talk about private markets.

339

00:40:29.280 --> 00:40:35.160

Joe Pellegrino: let's go to usg I think we've done it on this anything I should always add, thank you very, very much appreciate.

340

00:40:37.650 --> 00:40:39.330

Joe Pellegrino: Mike can you take us through the.

341

00:40:39.330 --> 00:40:44.490

Joe Pellegrino: next topic in the agenda, please, if I can ever find mine I can't.

342

00:40:44.700 --> 00:40:49.290

Savinelli, Michael: yeah happy happy to get Daniela can I am I able to share screen there we go.

343

00:40:50.100 --> 00:40:52.230

Joe Pellegrino: I got it now see.

344

00:40:52.650 --> 00:40:54.600

Joe Pellegrino: So there we go okay.

345

00:40:55.620 --> 00:41:18.930

Savinelli, Michael: So we sent two items related we talked about as the topic of ESP and earmark time today to have a first read and consideration with the board right have to materials, one is a 44 page presentation on which will touch on two slides and then a sample of an current clients SG.

346

00:41:20.160 --> 00:41:29.430

Savinelli, Michael: statement in their investment policy statement so just on the SG overview from the the two items that I think we wanted to touch on where.

347

00:41:30.240 --> 00:41:39.270

Savinelli, Michael: A the commitment that burger has and the kind of distinct approach neuberger has at the firm level to PSG investment.

348

00:41:39.780 --> 00:41:52.560

Savinelli, Michael: We talked about the four pillars here that it's you know integral to our firm that it's driven by a proprietary research and fundamental approach that includes active engagement with companies at the company level and.

349

00:41:52.890 --> 00:42:15.780

Savinelli, Michael: It supports sustainable and impact related innovations and, as you can see, we have a you know, a high number of assets that are ESC integrated and have received high marks from the UN pri group as well for our efforts that's neuberger as it relates to.

350

00:42:16.980 --> 00:42:26.940

Savinelli, Michael: here's one more thing about neuberger ESP Committee, you have two members of that committee working on this program for the town more quickly here today and Eric as well.

351

00:42:27.750 --> 00:42:37.170

Savinelli, Michael: That are included as part of this firm effort at the more the town level what we thought would be helpful as kind of thinking about.

352

00:42:37.260 --> 00:42:38.940

White, Andrew: This page 12 and.

353

00:42:39.480 --> 00:42:42.150

Savinelli, Michael: The four a's of ESP as we.

354

00:42:42.150 --> 00:42:59.250

Savinelli, Michael: refer to it, and these are all you know areas on a spectrum of ESP considerations and more correct me where i'm wrong here, but it can approach the SG can include any or all or none of these types of approaches.

355

00:42:59.580 --> 00:43:08.160

Savinelli, Michael: It can be a simple, you know avoidance criteria, we will not buy you know tobacco stocks or gun manufacturers, whatever that might be.

356

00:43:08.760 --> 00:43:25.230

Savinelli, Michael: There is the assess consideration, where the strategies are specifically quantifying the ESP in fact as they're making investments and considering that, as part of their their modeling there's amplify, which is where you actively seek.

357

00:43:25.590 --> 00:43:39.030

Savinelli, Michael: The companies that you've been to have higher ESP marks and you know folk with your with your wallet on that front and then Lastly, the aim for impact, where there's a specific directive or consideration.

358

00:43:39.090 --> 00:43:41.880

Savinelli, Michael: of investing in companies.

359

00:43:41.880 --> 00:43:42.960

Savinelli, Michael: Will programs.

360

00:43:43.110 --> 00:43:45.330

Savinelli, Michael: That will deliver a kind of double bottom.

361

00:43:45.330 --> 00:43:46.470

White, Andrew: line of.

362

00:43:46.530 --> 00:43:52.920

Savinelli, Michael: Attractive investment returns and you know he SG related impact considerations.

363

00:43:53.370 --> 00:43:55.140

Savinelli, Michael: In the towns portfolio.

364

00:43:56.730 --> 00:44:08.040

Savinelli, Michael: You know, we think that the impact areas, particularly attractive, particularly in private markets where there's more active considerations going on for the town versus the more.

365

00:44:08.430 --> 00:44:23.310

Savinelli, Michael: Passive portfolio and public markets, but these are sort of the spectrum of considerations that we see in here clients talking about and considering and how we have defined the neuberger platform as well.

366

00:44:24.870 --> 00:44:27.210

Savinelli, Michael: More anything to add on on that front.

367

00:44:27.990 --> 00:44:28.290

For me.

368

00:44:29.520 --> 00:44:30.420

Kennedy, Maura: Before a bad place.

369

00:44:31.260 --> 00:44:42.840

Joe Pellegrino: here's the question to that is for the board and everyone else, this is my question, do we, the town of Greenwich need to adopt an ESC policy number one.

370

00:44:43.470 --> 00:44:52.230

Joe Pellegrino: Number two if we did adopt any SG policy how's it going to impact our portfolio our investments and, most importantly, the bottom line.

371

00:44:52.710 --> 00:45:11.040

Joe Pellegrino: So those are my two key questions I don't want to keep talking around other issues number one, do you think that people think we need an SG policy and number two if we do adopt one what will its impact be on the portfolio, you know performance.

372

00:45:12.870 --> 00:45:13.620

Mike Wacek: I say no.

373

00:45:14.880 --> 00:45:15.390

Kennedy, Maura: Okay.

374

00:45:17.100 --> 00:45:18.810

White, Andrew: Any other trustee on away in.

375

00:45:18.870 --> 00:45:21.510

Joe Pellegrino: P menosky Kevin.

376

00:45:21.600 --> 00:45:23.070

Peter Mynarski: yeah I would agree with Michael watch.

377

00:45:26.550 --> 00:45:26.910

Kevin Coyner: yeah.

378

00:45:27.390 --> 00:45:28.590

Andrew Greco: I would say no also.

379

00:45:29.040 --> 00:45:31.770

Andrew Greco: Angela I agree with you, Joe we're here to make.

380

00:45:31.770 --> 00:45:34.620

Andrew Greco: Money so I don't know that that's going to make us any more money.

381

00:45:36.180 --> 00:45:36.570

Kennedy, Maura: So the.

382

00:45:36.600 --> 00:45:37.050

Kennedy, Maura: Only.

383

00:45:37.440 --> 00:45:38.940

Kennedy, Maura: thing that I would add.

384

00:45:39.030 --> 00:45:39.720

Kennedy, Maura: You know what we're.

385

00:45:40.200 --> 00:45:40.620

Joe Pellegrino: Thank you.

386

00:45:40.650 --> 00:45:46.170

Kennedy, Maura: Well, what we're doing and I totally get what you guys are saying and our.

387

00:45:47.520 --> 00:45:49.620

Kennedy, Maura: Our guiding light is to make.

388

00:45:49.980 --> 00:45:51.390

Kennedy, Maura: Money for the town.

389

00:45:51.990 --> 00:46:12.300

Kennedy, Maura: And when we, and I can speak to private markets because that's what I do every day when we think about SG it's thinking about what are the financially material environmental or social or governance aspect of this investment that i'm going to make that could hurt me.

390

00:46:14.220 --> 00:46:23.700

Kennedy, Maura: And that also could help me and i'd say that adopting kind of this approach to ESP helps to reduce our downside.

391

00:46:24.900 --> 00:46:28.410

Kennedy, Maura: So it's not about just investing in companies that are good for the world.

392

00:46:28.890 --> 00:46:42.720

Kennedy, Maura: I have a portfolio, where I do that and I love doing that and that's wonderful because that's what my investors want that's not what we're doing here at all, we were trying to find the best opportunities for you and also seeking to mitigate loss.

393

00:46:44.100 --> 00:46:48.660

Kennedy, Maura: And when I think about yesterday kind of from your context it's how are we going to mitigate loss.

394

00:46:49.170 --> 00:47:01.470

Kennedy, Maura: We want to look at every possible risk, and there are risks from environmental or social or governance that are associated with starting companies and we're performing this analysis to try and eliminate those risks that that's where.

395

00:47:01.710 --> 00:47:04.020

Mike Wacek: You should be doing that all the time, anyway.

396

00:47:04.110 --> 00:47:10.740

Mike Wacek: More i'm horrified to think that you only think about that if you're looking through any statement so.

397

00:47:10.920 --> 00:47:21.870

Kennedy, Maura: Mike the way I say it is if you're doing ESP you're fundamentally doing good underwriting full stop that's how I explain it to our our GP partners that that's how we think about it.

398

00:47:22.110 --> 00:47:24.510

Mike Wacek: it's part, then you don't need an SG policy.

399

00:47:25.080 --> 00:47:28.440

Mike Wacek: Because it's just part of a shrewd investment strategy.

400

00:47:29.790 --> 00:47:30.060

Kennedy, Maura: and

401

00:47:30.090 --> 00:47:36.030

Kennedy, Maura: it's highlighting a subset of what we do and that's what our investors demand.

402

00:47:36.810 --> 00:47:38.640

Joe Pellegrino: Okay, I think I got the picture here.

403

00:47:39.690 --> 00:47:48.660

Joe Pellegrino: I think we allocate enough time to this where we're at is we're really happy that you were to Berman, have a very thoughtful enlightened.

404

00:47:49.260 --> 00:48:02.730

Joe Pellegrino: Proactive ESC policy and we're proud that you have that in represent us with that I don't think we needed more feel like we need to have a second layer at our end and I think this was a wonderful first read.

405

00:48:02.820 --> 00:48:03.360

Kennedy, Maura: make sense.

406

00:48:03.450 --> 00:48:04.110

Joe Pellegrino: Last week.

407

00:48:05.370 --> 00:48:06.000

Joe Pellegrino: Next.

408

00:48:06.960 --> 00:48:07.740

Kevin Coyner: share my view.

409

00:48:08.790 --> 00:48:10.320

Joe Pellegrino: i'm sorry Kevin did you want to add more.

410

00:48:10.590 --> 00:48:14.520

Kevin Coyner: yeah I just did the one thing about you know i'm all for i'm.

411

00:48:17.880 --> 00:48:19.290

Kevin Coyner: We want to maximize.

412

00:48:19.320 --> 00:48:20.730

Mike Wacek: Your breaking up we can't hear you.

413

00:48:20.880 --> 00:48:21.900

Kevin Coyner: bring a great return.

414

00:48:23.100 --> 00:48:25.410

Kevin Coyner: Really okay hello, can you hear me any better now.

415

00:48:25.860 --> 00:48:26.400

Mike Wacek: Yes, Hello.

416

00:48:27.210 --> 00:48:30.570

Kevin Coyner: yeah all right i'm all for maximizing our returns um.

417

00:48:31.710 --> 00:48:37.620

Kevin Coyner: I guess the question is in Joe you raise it yourself, is what would an E, F G costs, I don't want to put a lot of extra effort.

418

00:48:38.250 --> 00:48:52.800

Kevin Coyner: And a lot of extra layers into doing any of this but I had also, I think we a question that you raised is would it cost us anything I gotta believe that you can have some layer some type of yes G and it's not necessarily going to cost you anything.

419

00:48:53.790 --> 00:49:03.000

Joe Pellegrino: Oh, I agree with that I just think that what i'm impressed by is how thoughtful thorough and how much energy neuberger Bourbon is put into it.

420

00:49:03.510 --> 00:49:11.520

Joe Pellegrino: And so my comfort level is now we are our our only advisor are only person who has discretion over our money.

421

00:49:11.850 --> 00:49:19.710

Joe Pellegrino: Has this in place and my feeling was as a board we needed to review this and know that that's what's going on.

422

00:49:20.040 --> 00:49:35.760

Joe Pellegrino: So I think that's where my level of comfort is is now having gone through this that they're doing what they should be doing, and I think we're doing what we should be doing, which was to make sure that we had an appropriate policy in place with our advisor that's all i'm saying.

423

00:49:36.090 --> 00:49:45.450

Kevin Coyner: And so, then I guess more can you answer this question for us, and that is if we wanted to at this point in time, say we want to read, we don't want to have to back our stocks as an example.

424

00:49:46.080 --> 00:49:50.220

Kevin Coyner: That easily achieved for all of our investments both private and public.

425

00:49:51.060 --> 00:49:53.370

Kennedy, Maura: 100% great thanks.

426

00:49:53.460 --> 00:49:53.850

Joe Pellegrino: Okay.

427

00:49:54.120 --> 00:49:55.470

Mike Wacek: let's move on what wait.

428

00:49:55.530 --> 00:49:56.700

Mike Wacek: Wait a minute I have a question.

429

00:49:56.880 --> 00:49:57.990

I have a question about that.

430

00:49:59.160 --> 00:50:00.990

Mike Wacek: index investors, we.

431

00:50:01.200 --> 00:50:03.000

White, Andrew: How do we drive tobacco stock.

432

00:50:03.900 --> 00:50:05.400

Savinelli, Michael: The public side would be difficult.

433

00:50:05.880 --> 00:50:06.240

yeah.

434

00:50:08.370 --> 00:50:09.000

Savinelli, Michael: And evolve.

435

00:50:09.450 --> 00:50:10.680

White, Andrew: As if it's tobacco.

436

00:50:10.680 --> 00:50:13.020

Savinelli, Michael: Today, and something else tomorrow it's a.

437

00:50:15.120 --> 00:50:16.650

Savinelli, Michael: You know, we can dive in further on.

438

00:50:16.890 --> 00:50:21.630

Savinelli, Michael: Your passive vs G versus active yesterday, we are short around but.

439

00:50:24.210 --> 00:50:24.480

Kevin Coyner: Right.

440

00:50:24.810 --> 00:50:25.680

Scott Kalb: Now there's just somethings your.

441

00:50:27.240 --> 00:50:27.750
Joe Pellegrino: question.

442
00:50:28.110 --> 00:50:29.460
White, Andrew: I do I.

443
00:50:29.460 --> 00:50:29.970
White, Andrew: think that.

444
00:50:30.510 --> 00:50:32.970
Scott Kalb: You know, I think that that that.

445
00:50:33.270 --> 00:50:38.850
Scott Kalb: With all due respect, I think the board members are showing some some.

446
00:50:40.410 --> 00:50:43.950
Scott Kalb: misinformation or bias on this issue.

447
00:50:44.010 --> 00:50:44.850
Scott Kalb: Why but.

448
00:50:45.240 --> 00:50:47.970
Scott Kalb: There seems to be an assumption that this is a trade off.

449
00:50:48.030 --> 00:50:49.800
Scott Kalb: That he asked us a trade off between.

450
00:50:51.300 --> 00:50:55.440
Scott Kalb: You know, environmental, social factors and then getting generating returns.

451
00:50:56.070 --> 00:51:12.810
Scott Kalb: And I don't I think that the evidence is showing and certainly this is the trend everywhere that that's not the case, I kind of look at ESP again as as risk factors you don't want to invest in companies that are polluting the environment, he that are using slave Labor.

452
00:51:12.840 --> 00:51:14.280
White, Andrew: For example, the ass.

453

00:51:14.340 --> 00:51:17.070

Scott Kalb: For that are engaging and corrupt business practices, the.

454

00:51:17.070 --> 00:51:26.580

Scott Kalb: g and those things are risks that could come back to bite you in the short or the long term, so having explicit.

455

00:51:28.680 --> 00:51:35.460

Scott Kalb: You know instructions or part of your met your overall investment strategy having those risks identified.

456

00:51:35.970 --> 00:51:42.270

Scott Kalb: and saying that you don't want those things in your portfolio it's not going to hurt your performance it's going to help it.

457

00:51:42.630 --> 00:51:53.130

Scott Kalb: And remember, we don't maximize returns that's the job of our managers Our job is to achieve appropriate risk adjusted returns to meet our mission.

458

00:51:53.730 --> 00:52:08.550

Scott Kalb: Or to maximize our returns within a given unit of risk, so this is important in terms of thinking about your risk if we were just maximizing returns at any level of risk, we would not be following our fiduciary duty.

459

00:52:09.930 --> 00:52:16.740

Scott Kalb: The other thing I, so I think it's it's kind of it's it's important to lay it out and they're very easy simple steps their custom.

460

00:52:17.100 --> 00:52:25.890

Scott Kalb: You can customize your benchmark if that's what you wanted to do you can customize your benchmark to eliminate them there must be 2000 names in the benchmark.

461

00:52:26.370 --> 00:52:40.980

Scott Kalb: And you can customize it and say all right, you know we don't want to do X, Y Z and you, you eliminate I don't know 50 companies or something it wouldn't really affect your ability to diversify or you can do thematic investing I mean there's many different ways to approach it.

462

00:52:42.390 --> 00:52:48.000

Scott Kalb: So I think that you can do this in a very efficient way, with a manager like neuberger.

463

00:52:48.600 --> 00:52:58.500

Scott Kalb: which has many options, and I think that the questions we should be asking them are well if we wanted to do something like this, how How should we go about it.

464

00:52:59.460 --> 00:53:07.860

Scott Kalb: You know what do you think you know what are the guys, who are just dipping their toes and what are they doing that kind of stuff and, finally, what I would say is that.

465

00:53:08.580 --> 00:53:16.920

Scott Kalb: I think it's important for us to have a statement about it, we have a statement of investment policy, but we should have something even if what we say in there is that.

466

00:53:18.210 --> 00:53:24.960

Scott Kalb: You know we've decided not to do anything for the time being, the studying for or whatever we want to say, but just sort of ignoring it.

467

00:53:25.440 --> 00:53:35.070

Scott Kalb: When this is kind of the direction that the you know the the rest of the world, the pension fund industry everybody is going, I think it it It just shows that were kind of.

468

00:53:36.600 --> 00:53:44.370

Scott Kalb: You know burying our heads in the sand, I think you're also going to be seeing regulators moving in this direction so there's regulatory risk.

469

00:53:46.200 --> 00:53:56.790

Scott Kalb: So you know, my view is that we should be doing something, and not you know not simply saying well you know just just leave it alone, for a variety of reasons.

470

00:53:57.330 --> 00:54:04.230

Joe Pellegrino: Okay, let me any other comments I don't see any other hands up by Scott my reflection on that would be.

471

00:54:05.040 --> 00:54:13.050

Joe Pellegrino: I think we can reflect on it more we should good comments, and I would think that the proactive thing that we should do could do.

472

00:54:13.530 --> 00:54:24.180

Joe Pellegrino: That I would do is just to say that we endorse neuberger bermondsey SG policy, I think I think what we're really saying is we we proactively have reviewed it.

473

00:54:24.930 --> 00:54:32.850

Joe Pellegrino: We agree with concur with it we engage it and we approve it, I mean I don't think we approve it, but we basically.

474

00:54:33.510 --> 00:54:37.050

Joe Pellegrino: that's how i'm looking at this is there on the front line.

475

00:54:37.620 --> 00:54:55.110

Joe Pellegrino: We review it we know what they're doing and we embrace it, I will leave it at that, but let's come back to it, then next month would be any more language about where it is what it is and where we go and how we want to frame it and maybe I see more shaking her head she's giving.

476

00:54:55.170 --> 00:54:56.040

Joe Pellegrino: Work to.

477

00:54:56.070 --> 00:54:57.420

Joe Pellegrino: Michael seven le.

478

00:54:57.780 --> 00:55:04.740

Joe Pellegrino: To come up with some simple statement in our investment policy statement embracing your PSG policy.

479

00:55:05.820 --> 00:55:14.130

Kennedy, Maura: It just under the last thing i'll say and then i'll leave you all Scott, your comments were incredibly thoughtful and thank you for making them.

480

00:55:14.790 --> 00:55:15.180

Joe Pellegrino: There you go.

481

00:55:16.350 --> 00:55:16.590

Joe Pellegrino: Oh.

482

00:55:16.680 --> 00:55:18.570

Kennedy, Maura: Nice Thank you okay.

483

00:55:19.020 --> 00:55:19.560

Mike Wacek: Thanks for.

484

00:55:19.650 --> 00:55:20.160

Joe Pellegrino: Thanks for.

485

00:55:20.250 --> 00:55:20.640

Savinelli, Michael: Having a.

486

00:55:23.130 --> 00:55:25.320

Joe Pellegrino: crypto currencies sure.

487

00:55:26.370 --> 00:55:26.730

White, Andrew: Your.

488

00:55:27.510 --> 00:55:29.520

Peter Mynarski: Six page oh you got a bunch of hands up.

489

00:55:29.610 --> 00:55:30.150

Savinelli, Michael: i'm sorry.

490

00:55:30.390 --> 00:55:34.410

Joe Pellegrino: I don't see any hands on Oh, I see two hands up three hands off me all right.

491

00:55:34.470 --> 00:55:35.070

Savinelli, Michael: let's do it.

492

00:55:35.220 --> 00:55:41.070

Joe Pellegrino: We got Dan we got Andy and we've got Kevin Kevin Dan comment.

493

00:55:41.580 --> 00:55:42.990

Dan Ozizmir: So um I think this.

494

00:55:43.020 --> 00:55:44.220

Dan Ozizmir: On yesterday, I think, good.

495

00:55:44.220 --> 00:55:48.720

Dan Ozizmir: Discussion I do endorse, I think a lot of what Scott said.

496

00:55:50.160 --> 00:56:00.150

Dan Ozizmir: But I also come out at this point to do two things one is to monitor this these developments, because it is going to continue to change the investment.

497

00:56:01.200 --> 00:56:06.810

Dan Ozizmir: landscape, but I think that, as opposed to quote endorse what neuberger Berman.

498

00:56:06.810 --> 00:56:08.220

White, Andrew: is doing, I think.

499

00:56:08.250 --> 00:56:20.040

Dan Ozizmir: What we, I hope, what we're really saying is that or as a board, we want to understand if we have a as Joe said, you know full time one manager managing or investments.

500

00:56:20.550 --> 00:56:30.720

Dan Ozizmir: We need to understand and review and accept you know they're SG so, in other words we shouldn't hire anyone who doesn't have any SG policy or understand what their approaches.

501

00:56:31.500 --> 00:56:44.010

Dan Ozizmir: I think that's really the key here I think it's going to be tough for us as a board to micromanage each element of what industry is good or bad I just think that's a slippery slope, thank you.

502

00:56:44.460 --> 00:56:46.560

Joe Pellegrino: Okay, in the deuce.

503

00:56:47.760 --> 00:56:48.900

Andreas Duus: yeah Thank you.

504

00:56:50.220 --> 00:56:52.800

Andreas Duus: I appreciate the interest of the sj.

505

00:56:54.180 --> 00:56:55.650

Andreas Duus: I know that the number of.

506

00:56:56.460 --> 00:57:07.410

Andreas Duus: Funds have into the markets, these days, I have increasingly had an espn preference expressed, I also know that many companies.

507

00:57:09.120 --> 00:57:12.150

Andreas Duus: qualifying try to qualify for as a huge.

508

00:57:13.740 --> 00:57:19.950

Andreas Duus: Investment of that really you know, maybe, maybe not i'm concerned, though, if.

509

00:57:21.600 --> 00:57:33.330

Andreas Duus: scott's comment that that he says that we have a fiduciary responsibility beyond maximizing and returns I just haven't seen that I don't think it's in our policy statement.

510

00:57:34.560 --> 00:57:42.390

Andreas Duus: And I get uncomfortable, the more we we more we move away from returns as as as objective of order dustin's.

511

00:57:43.590 --> 00:57:50.850

Joe Pellegrino: Okay um I think the third persons high end up was Kevin sorry Kevin okay you're on.

512

00:57:51.210 --> 00:57:52.500

Kevin Coyner: yeah no problem um.

513

00:57:53.910 --> 00:57:58.380

Kevin Coyner: I you know, Joe you mentioned that you know you wanted to kind of leave it there we've endorsed.

514

00:57:59.940 --> 00:58:11.430

Kevin Coyner: neuberger Bourbons yes G policy but I can't honestly say that you know, we have, and I do think that we should give a little bit more consideration

upcoming meetings and there's no particular hurry.

515

00:58:12.060 --> 00:58:18.000

Kevin Coyner: And we're never ever going to micromanager but I, you know we've just have had this what maybe even five or 10 minute discussion.

516

00:58:21.270 --> 00:58:30.210

Kevin Coyner: it's overview presentation of what their policy is, I can honestly say that I understand it, and that I would even like if you put it to a vote, right now, whether I would endorse or not account.

517

00:58:30.600 --> 00:58:37.950

Kevin Coyner: In all likelihood, I would, but I think if we're going to have our own usg policy which we probably should I do appreciate scott's comments, a lot.

518

00:58:38.970 --> 00:58:41.340

Kevin Coyner: That we should actually dive a little bit deeper into this.

519

00:58:41.550 --> 00:58:54.390

Joe Pellegrino: Okay, good comments, so I put it down as first read it sounds like we will have this as another topic to circle back to but i'd like each of the board members, as well as anyone else the tr TEAM members.

520

00:58:54.930 --> 00:59:11.730

Joe Pellegrino: To send some emails out let's just circulate some thoughts let's try to get a better focus on on this to me, this was good to have the agenda have it on the agenda good first round the discussion there is diversified thoughts here.

521

00:59:12.750 --> 00:59:19.560

Joe Pellegrino: So the real question is, is what is the next round of discussion what's next round of action if there is any.

522

00:59:20.130 --> 00:59:33.540

Joe Pellegrino: To action to be taken and let's let's start doing that offline so there were more focused, but I think, for now, this was a good introduction and very good round of discussion i'd leave it at that that's where my head is.

523

00:59:34.800 --> 00:59:40.290

Joe Pellegrino: All right, I want to go to crypto currencies cause the topic I really want to get out here.

524

00:59:40.380 --> 00:59:42.690

Joe Pellegrino: Michael we all read the six page memo.

525

00:59:43.440 --> 00:59:49.260

Joe Pellegrino: The bottom line on that six page memo was huh this may be around for a while and.

526

00:59:50.280 --> 01:00:04.890

Joe Pellegrino: Maybe we should be putting our toe in the water, so laid out for us we're, what do you think neuberger burn was neuberger Berman thing and should we town and grants retirement board start putting our toe in the water in this area.

527

01:00:06.210 --> 01:00:10.380

Savinelli, Michael: Sure, thanks, Joe yeah This is very high level, this is the.

528

01:00:10.500 --> 01:00:11.130

Savinelli, Michael: But recent.

529

01:00:11.220 --> 01:00:19.800

Savinelli, Michael: April last month writing this White Paper timely topic I think you're spot on on the takeaways there the paper walks through.

530

01:00:20.160 --> 01:00:34.590

Savinelli, Michael: pros cons considerations and thoughts around bitcoin specifically and you know to an extension crypto assets more widely, I think this final thoughts and caveats paragraph at the end summarizes a bit.

531

01:00:34.620 --> 01:00:35.850

Savinelli, Michael: of our views and.

532

01:00:36.120 --> 01:00:43.500

Savinelli, Michael: Andrew could speak to that from the investment strategy group and portfolio management perspective for the town, but that.

533

01:00:44.280 --> 01:00:59.850

Savinelli, Michael: bit coin and crypto assets are a space that we're aware of its evolving we're monitoring and are you know potential pros and cons to but, at this time we're we're not seeing adoption informal.

534

01:01:00.480 --> 01:01:11.550

Savinelli, Michael: strategic asset allocations for allocations to bitcoin or cryptocurrency specifically Andrew anything you would.

535

01:01:11.880 --> 01:01:12.780

White, Andrew: Add to that, and you.

536

01:01:14.190 --> 01:01:17.130

White, Andrew: know I think that's the main takeaway you know right now it's.

537

01:01:17.430 --> 01:01:25.230

White, Andrew: I think there's a lot of different ways that we're trying to look at it, to see you know, to get exposure, whether or not it's owning the the underlying code coins or.

538

01:01:25.530 --> 01:01:36.750

White, Andrew: or some other sort of exposure, but you know there's no way to really kind of truly value in a vm and with such high levels of volatility, you know Mike mentioned that this paper was written about a month ago.

539

01:01:37.470 --> 01:01:49.200

White, Andrew: The price of bitcoins drop you know roughly 30% since then, so you know it remains to be seen if it's going to be, you know how you can use it as an inflation hedge your store value etc so.

540

01:01:50.160 --> 01:02:02.550

White, Andrew: You know from right now with direct ownership, we think has too many risks around you know custody and security but it's something that we're constantly thinking about, and you know, seeing other way, as if it does more and inclusion so.

541

01:02:03.990 --> 01:02:04.830

Joe Pellegrino: Have you looked at.

542

01:02:06.030 --> 01:02:07.950

Joe Pellegrino: The Gray scale bitcoin for us.

543

01:02:09.060 --> 01:02:14.700

White, Andrew: Yes, we have, I mean if you look at that it really doesn't closely track the price of bitcoin.

544

01:02:16.080 --> 01:02:28.440

White, Andrew: It doesn't solve the issue of you know, accessible there's you don't have the issues with custody, but it's just not really there's been a pretty significant discounts to the nav in that UCF.

545

01:02:29.610 --> 01:02:37.800

White, Andrew: I would say there is, I know that there was one an ETF launched in Canada, we constantly hear about the possibility of others, and you know, possibly in the US.

546

01:02:38.640 --> 01:02:45.150

White, Andrew: I think that would be, you know that would do a couple things you know it solves the custody issue and the privacy.

547

01:02:45.690 --> 01:02:55.470

White, Andrew: Another concern possibly could be is competition from other cryptocurrencies we know bitcoins the largest but you know it's hard to say if that's going to continue to be.

548

01:02:56.760 --> 01:02:59.970

White, Andrew: If something that was widely adopted, I think the blockchain is really.

549

01:03:01.350 --> 01:03:15.150

White, Andrew: You know everything's going digital it's hard to say you know why would currency not pay but does that mean bitcoin is necessarily going to be what widely adopted in the future, so when you see if we could have broader exposure couldn't help them right.

550

01:03:15.360 --> 01:03:15.960

So.

551

01:03:17.040 --> 01:03:31.080

Joe Pellegrino: there's a lot of pieces there, but you know, the question of whether or not the point is ever a currency for me personally i'm not certain if that's really the issue here, the real issue to me is is there an asset.

552

01:03:32.310 --> 01:03:55.890

Joe Pellegrino: that's been created, it has sufficient demand and some handle on supply and is there is there a reason why investors would want to hold that acid, even if that acid, Sir, no purpose it it's not going to be used in transactions.

553

01:03:56.340 --> 01:03:57.690

White, Andrew: it's not a currency.

554

01:03:58.680 --> 01:04:02.460

Joe Pellegrino: it's nothing but a digital.

555

01:04:03.600 --> 01:04:21.630

Joe Pellegrino: Signature let's say it's the digital security that has a limited supply I think that's the heart of the issue if there's a limited supply of something that people want is going to be an artificial, or is there going to be a value associated with it.

556

01:04:22.800 --> 01:04:28.350

Joe Pellegrino: And my own personal paying this I don't know I don't know a lot of answers here.

557

01:04:28.770 --> 01:04:29.970

Joe Pellegrino: This could be something.

558

01:04:30.330 --> 01:04:40.080

Joe Pellegrino: That absolutely 10 years from now, has zero value turns out to be the grace folks beyond whatever has been the greatest folks prior to.

559

01:04:41.040 --> 01:04:41.670

White, Andrew: The other hand.

560

01:04:42.690 --> 01:04:45.960

Joe Pellegrino: There could be something here that simply is.

561

01:04:46.440 --> 01:04:48.000

White, Andrew: here's another asset.

562

01:04:48.870 --> 01:05:13.890

Joe Pellegrino: that's 21st century creation and it's got nothing to do with cash flow it's got nothing to do with earnings power has got nothing to do with precious metals or any other commodity, other than it's the creation of something technologically that has limited supply and still has the main.

563

01:05:15.090 --> 01:05:20.250

Joe Pellegrino: So those are my thoughts on this whole thing just to share it out with everyone.

564

01:05:21.600 --> 01:05:22.710

Joe Pellegrino: Yes, Mike wasted.

565

01:05:23.520 --> 01:05:37.110

Mike Wacek: I have to say I am deeply skeptical about the appropriateness of our investing in something this speculative to me it's pure speculation and it would.

566

01:05:37.440 --> 01:05:38.580

Mike Wacek: It would require.

567

01:05:38.640 --> 01:05:44.460

Mike Wacek: A lot a lot of convincing to me to embrace this for the board.

568

01:05:45.570 --> 01:05:48.510

Joe Pellegrino: All right, any other thoughts of any of the other trustees yeah.

569

01:05:52.140 --> 01:05:52.500

Kevin Coyner: I.

570

01:05:52.530 --> 01:05:55.860

Kevin Coyner: pinned involved in bitcoin since 2013.

571

01:05:56.940 --> 01:06:01.980

Kevin Coyner: Actually mind it for a period of time, so i'm a big believer in this and always have been.

572

01:06:03.570 --> 01:06:20.970

Kevin Coyner: You what Joe you just described, was basically bitcoin but there's everything else, all the other cryptocurrencies not all of them, but the theory cardano and there's several others are part of a also something that is developing and growing and a very, very aggressive way.

573

01:06:24.030 --> 01:06:29.550

Kevin Coyner: That will, I believe, become part of our financial future so i'm fully on board.

574

01:06:29.640 --> 01:06:30.840
White, Andrew: On this whole movement.

575
01:06:31.260 --> 01:06:32.130
Kevin Coyner: The question.

576
01:06:32.430 --> 01:06:33.330
Kevin Coyner: I would have.

577
01:06:33.390 --> 01:06:34.740
Kevin Coyner: And it is volatile it's very.

578
01:06:34.740 --> 01:06:35.040
White, Andrew: Very.

579
01:06:35.070 --> 01:06:38.040
Kevin Coyner: very volatile and if you don't have the stomach for that, then you shouldn't be even.

580
01:06:38.190 --> 01:06:46.860
Kevin Coyner: remotely near it, and so I you know I had, I honestly do have to question whether or not it's appropriate for this for our fund but.

581
01:06:47.880 --> 01:06:57.870
Kevin Coyner: That said, I i'm a full believer that this will become part of our financial future and we will all be involved in and I don't expect bitcoin to be a trading.

582
01:06:58.560 --> 01:07:09.990
Kevin Coyner: Currency in any sense it's a store of value for now, but the other cryptocurrencies I believe will be transactional not in the sense you're going to buy your starbucks coffee, with it, but in the sense that you'll see a lot of financial contracts, secured with it.

583
01:07:11.220 --> 01:07:12.030
Kevin Coyner: And so.

584
01:07:13.140 --> 01:07:19.620
Kevin Coyner: That all said right now getting exposure for a fund like ours is the difficult thing and that's what I would ask, I guess.

585

01:07:19.710 --> 01:07:20.820

White, Andrew: Andrew and anyone else.

586

01:07:21.300 --> 01:07:29.160

Kevin Coyner: A new burger to help us figure out because I think one day we will have to get involved and i'm not sure how to do that.

587

01:07:29.850 --> 01:07:32.130

White, Andrew: On a basically a professional basis.

588

01:07:32.790 --> 01:07:33.780

Kevin Coyner: That we would have to do it.

589

01:07:34.950 --> 01:07:37.080

Kevin Coyner: Any pictures on bitcoin yeah.

590

01:07:37.650 --> 01:07:43.080

Joe Pellegrino: Any response to friends last time that they're like how How would we get involved if we wanted to.

591

01:07:46.200 --> 01:07:47.460

Savinelli, Michael: And I mean, I think.

592

01:07:47.640 --> 01:07:53.520

Savinelli, Michael: Something that as a manager, we are not struggling with, but we are evaluating Andrew talk.

593

01:07:53.520 --> 01:07:54.390

Savinelli, Michael: through some of the.

594

01:07:54.420 --> 01:07:56.160

White, Andrew: limitations from a you know.

595

01:07:56.880 --> 01:08:05.370

Savinelli, Michael: A custody aspect of holding the actual physical token, how do you access it via more liquid or secure like a like an ETF.

596

01:08:06.720 --> 01:08:18.420

Savinelli, Michael: I know there are strategies at neuberger that are looking to implement as part of you know their overall program are commodities team who who wrote this paper.

597

01:08:18.630 --> 01:08:28.980

Savinelli, Michael: are evaluating ways to include it as part of their program other more macro driven managers are also thinking about including it, but I think we're red.

598

01:08:29.370 --> 01:08:43.140

Savinelli, Michael: not dissimilar stage of thinking about how to include it in a you know rational fundamental appropriate fashion for institutional SAA Andrew do you want to add to that.

599

01:08:43.710 --> 01:08:56.070

White, Andrew: yeah now just I think the bottom line is we haven't found a suitable or something that we feel a suitable as of right now but it's definitely kind of top of mind and looking at different options constantly to see if there is an opportunity.

600

01:08:56.580 --> 01:08:58.770

Kevin Coyner: You guys have anybody within your firm, who is.

601

01:08:58.920 --> 01:09:03.360

Kevin Coyner: solely dedicated to exploring the space and trying to I mean.

602

01:09:03.450 --> 01:09:04.350

Kevin Coyner: Are you involved in it.

603

01:09:04.440 --> 01:09:06.750

Kevin Coyner: in any way other than just your kind of.

604

01:09:07.050 --> 01:09:08.130

Kevin Coyner: incidental interest in it.

605

01:09:09.300 --> 01:09:12.660

Savinelli, Michael: We have no dedicated crypto asset.

606

01:09:14.130 --> 01:09:17.370

Savinelli, Michael: strategy or management team, we have a few.

607

01:09:19.170 --> 01:09:34.950

Savinelli, Michael: Highly informed, and you know managers that are either looking to deploy or familiar with some of those aspects we we can loop that in and have you know, have a more thorough discussion on how they're thinking about it.

608

01:09:36.180 --> 01:09:38.220

Savinelli, Michael: Particular to to their approaches.

609

01:09:39.240 --> 01:09:40.860

Savinelli, Michael: If that'd be helpful, I think at the.

610

01:09:40.950 --> 01:09:41.970

Savinelli, Michael: portal sad.

611

01:09:41.970 --> 01:09:46.410

Savinelli, Michael: level it's a we'll call it a holding pattern on our side.

612

01:09:46.740 --> 01:09:47.850

Savinelli, Michael: But we do have subject matter.

613

01:09:47.850 --> 01:09:48.540

Experts.

614

01:09:49.680 --> 01:10:00.180

Joe Pellegrino: Okay, and you do some 15 second Kevin from my experience, and when I looked at this, I think the best way to play, it is the ETF GB etc.

615

01:10:00.210 --> 01:10:01.650

Joe Pellegrino: And Gray scale bitcoin.

616

01:10:01.920 --> 01:10:02.880

Joe Pellegrino: Because it has liquidity.

617

01:10:03.180 --> 01:10:11.070

Joe Pellegrino: that's what everyone that's where the money is um it moves and for disclosure purposes of it is probably where.

618

01:10:11.550 --> 01:10:19.740

Joe Pellegrino: it's down 45% from its peak, just like the month and a half ago, I actually started to put my toe in the water with it for my clients.

619

01:10:20.250 --> 01:10:29.430

Joe Pellegrino: On by lawyers attorney that people actually want to have some exposure to this, and that was standing Mike wasting I got your point, I agree, I understand that.

620

01:10:29.880 --> 01:10:39.660

Joe Pellegrino: But there's something here in again, you may be a zero investment, but there is something here and people do want to start having some exposure to cryptocurrency.

621

01:10:41.100 --> 01:10:43.020

Joe Pellegrino: What is what is maybe Dudes, what do you go.

622

01:10:45.420 --> 01:10:46.110

Andreas Duus: For it.

623

01:10:47.280 --> 01:10:58.500

Andreas Duus: I I don't I don't share I don't have about kevin's experience with this or knowledge about I remain skeptical as perhaps like basic is of this as an asset.

624

01:10:58.500 --> 01:11:01.530

Andreas Duus: class, I have to have one one question.

625

01:11:01.710 --> 01:11:09.570

Andreas Duus: For neuberger Berman and is that, how do these crypto investments square with with your firm's yesterday policy.

626

01:11:11.280 --> 01:11:11.760

Mike Wacek: Yes.

627

01:11:12.090 --> 01:11:13.200

But that's a great question.

628

01:11:14.490 --> 01:11:15.870

Savinelli, Michael: And I think one of the.

629

01:11:16.920 --> 01:11:17.700

Savinelli, Michael: You know this is a.

630

01:11:19.350 --> 01:11:26.100

Savinelli, Michael: important topic, considering the history discussion we just had, but a limitation is how we would would do it currently.

631

01:11:27.210 --> 01:11:28.320

Savinelli, Michael: Andrew anything to add.

632

01:11:28.680 --> 01:11:29.490

White, Andrew: Your perspective.

633

01:11:30.540 --> 01:11:38.760

White, Andrew: No, I mean obviously what what's happening right now, at least within cryptocurrencies definitely violates I would say, you know how we think about yesterday there's.

634

01:11:39.060 --> 01:11:54.030

White, Andrew: You know people have talked about cleaner ways to you know mine crypto going forward, but at this point that that hasn't been the case so you know it is a little bit of a conflict when you're looking at the energy usage and how it compares door policy okay.

635

01:11:54.480 --> 01:11:56.100

Joe Pellegrino: i've got stockpile.

636

01:11:56.250 --> 01:11:58.710

Joe Pellegrino: your hands up and then back to them.

637

01:11:59.400 --> 01:12:02.940

Scott Kalb: Yes, thank you, I just think it's great that we've.

638

01:12:02.940 --> 01:12:04.890

Scott Kalb: got buddy on the board.

639

01:12:04.950 --> 01:12:07.020

Scott Kalb: who's actually knowledgeable about.

640

01:12:07.680 --> 01:12:22.740

Scott Kalb: crypto and I think we should be because they're not that many people out there that have that kind of experience, so I i'd love to see us taking advantage of that I think that's important, if nothing else, that that we can become educated.

641

01:12:24.240 --> 01:12:32.610

Scott Kalb: The other thing is that I think it's it's worthwhile to look at what other institutions or pension funds and down and or other.

642

01:12:33.720 --> 01:12:35.970

Scott Kalb: institutional investors are doing in this space.

643

01:12:37.050 --> 01:12:42.570

Scott Kalb: My understanding is that sort of along the lines of what Joe is saying that.

644

01:12:43.650 --> 01:12:52.800

Scott Kalb: Many of them are allocating a very tiny amount let's say a half of a percent let's say to this asset class it's very small but.

645

01:12:55.050 --> 01:13:01.620

Scott Kalb: they're doing it in place of let's say allocating to gold as a sorry.

646

01:13:03.450 --> 01:13:05.160

Scott Kalb: Allocating to gold as a.

647

01:13:08.160 --> 01:13:09.060

Scott Kalb: diversifier.

648

01:13:10.470 --> 01:13:33.180

Scott Kalb: but also to to try and find a a a new an asset class that is non correlated and they can give some kind of benefits to your again risk adjusted volatility adjusted return, so I also saw a study by a firm called net Davis research which showed what happens when you.

649

01:13:33.450 --> 01:13:35.730

Scott Kalb: If you need a half percent and.

650

01:13:36.120 --> 01:13:42.150

Scott Kalb: You could have some significant diversifying impact, so I think it's worth checking out to see what other pension from the.

651

01:13:42.150 --> 01:13:42.690

White, Andrew: potential.

652

01:13:43.140 --> 01:13:45.870

Scott Kalb: downside institutions are doing and.

653

01:13:47.850 --> 01:13:52.530

Scott Kalb: Maybe even you know, setting up a little research group to check it out, but.

654

01:13:53.670 --> 01:14:02.100

Scott Kalb: It I do think that this is also something worth exploring it you wouldn't want to jump in normally that's not appropriate, but.

655

01:14:03.300 --> 01:14:06.150

Scott Kalb: It might be worth dipping a toe into so.

656

01:14:06.420 --> 01:14:12.720

Joe Pellegrino: i'm gonna go to Kevin and then we have nerium but Scotch like no Mike I actually bought a half percent across the board.

657

01:14:12.750 --> 01:14:14.610

Joe Pellegrino: From my client base when it hit.

658

01:14:14.640 --> 01:14:16.200

White, Andrew: \$28 so.

659

01:14:16.290 --> 01:14:18.750

Joe Pellegrino: It is what it is all right Kevin.

660

01:14:19.860 --> 01:14:26.820

Kevin Coyner: yeah in just a couple things real quick and one is I don't know if he chaos is the right thing, because there's basically the tracking error and.

661

01:14:26.910 --> 01:14:28.020

White, Andrew: I think you pay a premium for it.

662

01:14:28.290 --> 01:14:28.860

White, Andrew: But that said.

663

01:14:28.920 --> 01:14:30.360

Kevin Coyner: I can't really say that there's another.

664

01:14:30.390 --> 01:14:36.960

Kevin Coyner: easy way for fun my guards to get involved, although there is there are see me futures and I haven't looked enough into those to see.

665

01:14:38.430 --> 01:14:40.230

Kevin Coyner: If, whether it be appropriate for us or not.

666

01:14:42.570 --> 01:14:50.340

Kevin Coyner: In terms of the energy usage and, that being a factor in the long run that's not going to be a factor, right now, it is a factor for bitcoin.

667

01:14:50.880 --> 01:15:02.400

Kevin Coyner: Because it uses what you call a proof of work type of strategy, but that's changing in the future will change once all the bitcoins been mined and it goes to proof of stake, and if you look at the other cryptocurrencies.

668

01:15:03.270 --> 01:15:10.680

Kevin Coyner: They like a theorem and a 32 and again i'm getting into the weeds and i'll try to avoid that but they don't use the energy in the same way.

669

01:15:11.100 --> 01:15:15.060

Kevin Coyner: And so there'll be a lot more efficient and that argument will eventually go away.

670

01:15:15.690 --> 01:15:28.410

Kevin Coyner: The other thing to keep in mind is, you have a lot of brilliant people that are solidly behind this and in this and they've got all the questions and problems that they're being thrown out in the media right now.

671

01:15:28.770 --> 01:15:29.850

White, Andrew: will be solved.

672

01:15:30.150 --> 01:15:31.410

White, Andrew: And they've been dealing with them and.

673

01:15:31.410 --> 01:15:39.060

Kevin Coyner: They Forked these cryptocurrencies a couple times now bitcoins been working at least twice in order to improve it and it's done on a basis that.

674

01:15:39.750 --> 01:15:54.360

Kevin Coyner: Well i'll leave it at that I really do think that we do need to follow up on this this just shouldn't stop with the first read that we need to kind of investigate a little bit further and figure out how we can dip our toe in it, because I think it is a great diversify nation.

675

01:16:01.530 --> 01:16:03.330

Kevin Coyner: Joe I think we lost your sound or I did.

676

01:16:04.140 --> 01:16:04.440

me.

677

01:16:06.330 --> 01:16:07.590

Joe Pellegrino: Oh, Mary i'm sorry.

678

01:16:07.650 --> 01:16:09.000

White, Andrew: I apologize my fault.

679

01:16:09.330 --> 01:16:11.100

Joe Pellegrino: i'm comments Kevin.

680

01:16:11.130 --> 01:16:20.100

Joe Pellegrino: i'm really think this is good discussions morning yesterday and cryptocurrencies I do want to move on to new business with Miriam you had a comment questions that you won the race here.

681

01:16:20.100 --> 01:16:23.490

Miriam Kreuzer: And yeah no no just super super quick, I think.

682

01:16:23.910 --> 01:16:29.040

Miriam Kreuzer: I think Andy juices point was an excellent one regarding E, F G, and

I just want to caution the board.

683

01:16:29.580 --> 01:16:42.120

Miriam Kreuzer: That, particularly as this area is does not have much regulation or on debt I think any I think any amount until it is more regulated would be imprudent because we don't.

684

01:16:42.450 --> 01:16:49.620

Miriam Kreuzer: Just seem to be a bit and vote to have pension plan participants going after you know.

685

01:16:50.550 --> 01:17:05.370

Miriam Kreuzer: plan for judiciary's for doing things that you know, bring and bring risk to the portfolios and you would think that, regardless of the amount in the portfolio if it's unregulated and it could have it could be, you know, a.

686

01:17:05.910 --> 01:17:08.010

Miriam Kreuzer: Sorry Kevin I know you're very much into it, but.

687

01:17:08.010 --> 01:17:17.880

Miriam Kreuzer: There you know there's this view that this could be some sort of Ponzi scheme, I think it would leave the board open to some risk with plan participants so.

688

01:17:18.360 --> 01:17:33.000

Joe Pellegrino: Okay, all right all right great discussions guys thoughts to continue with can we now turn to new business us Part A, this is the 3% interest rate um thing that we do every.

689

01:17:33.000 --> 01:17:43.410

Joe Pellegrino: Year it's kind of straightforward if there's any questions fine but i'm very comfortable if somebody wants to make the motion to adopt it and move on.

690

01:17:43.890 --> 01:17:45.870

Joe Pellegrino: move some of second.

691

01:17:46.140 --> 01:17:46.590

Peter Mynarski: That good.

692

01:17:46.980 --> 01:17:48.270

Joe Pellegrino: Okay, all in favor.

693

01:17:48.690 --> 01:17:50.670

Mike Wacek: Aye Aye.

694

01:17:50.790 --> 01:18:03.810

Joe Pellegrino: Okay, you know this great nice be employee contribution in three calculations milliman Okay, let me introduce this, I think we have Scott on the line with us thanks Scott welcome i'm.

695

01:18:04.290 --> 01:18:11.850

Joe Pellegrino: Kevin coin, this goes back to your comment, last month, we wanted to get Scott involved.

696

01:18:12.210 --> 01:18:22.620

Joe Pellegrino: There was some calculation issues that were uncomfortable with in terms of either how they happened, or why they happened, it was inaccuracy, I believe, is the point.

697

01:18:22.980 --> 01:18:35.520

Joe Pellegrino: And we wanted to just have a discussion with milliman to share with us, maybe Scott, you know what happened, why did it happen, how are you correcting for and what should we expect going forward.

698

01:18:35.700 --> 01:18:37.740

Savinelli, Michael: and Joe Joe i'm sorry i'm sorry to interrupt.

699

01:18:39.150 --> 01:18:43.680

Savinelli, Michael: Are we good on the neuberger side, I want to give Andrew a chance to to hop off and.

700

01:18:43.740 --> 01:18:45.450

Savinelli, Michael: Oh yeah nice oh.

701

01:18:45.540 --> 01:18:47.250

White, Andrew: yeah we have some.

702

01:18:48.300 --> 01:18:50.100

White, Andrew: Internal just something important today.

703

01:18:51.120 --> 01:18:52.440

White, Andrew: Nice evening everyone, thank you.

704

01:18:53.070 --> 01:18:54.540

White, Andrew: Good to see y'all Thank you very much.

705

01:18:54.750 --> 01:18:55.110

Okay.

706

01:18:57.990 --> 01:19:00.810

Joe Pellegrino: Okay Scott, I think you're on.

707

01:19:01.830 --> 01:19:12.660

Scott Feig: A Thank you everyone for having me this morning I guess i'll keep it at the highest level and, certainly, you know happy to answer questions as best that I can essentially what happened was while reviewing.

708

01:19:13.260 --> 01:19:19.800

Scott Feig: Some questions from a participant we realized, we found a calculation issue this is last June June of 2020.

709

01:19:20.280 --> 01:19:28.770

Scott Feig: And we explored it further and dug into it and, like any other situation once we see that there's a problem we look further into it, make sure that there's no other issues.

710

01:19:29.070 --> 01:19:39.450

Scott Feig: review that portion of the calculation and, unfortunately, in this case, we did find that there was an issue with the calculations being done for a small subset of your group, involving the deficiency balances.

711

01:19:40.170 --> 01:19:48.150

Scott Feig: We immediately notified the town of what was going on, we immediately sort of plug the problem by manually correcting anyone that was already sort of in process.

712

01:19:48.510 --> 01:19:58.440

Scott Feig: We quickly work to update our system and correct the issue programmatically that was done in mid July, so this was identified in mid late June, we had the.

713

01:19:58.830 --> 01:20:09.060

Scott Feig: We had the system corrected by mid July early July, and from that point, there were no other issues, there was no one knew being added to the group what we then did was kind of cast the net.

714

01:20:09.300 --> 01:20:20.430

Scott Feig: of anyone that we thought could potentially be impacted by this issue, I think you've heard some numbers, there was a little bit over 60 kind of in that wide net that we cast that we participants that we thought were potentially impacted.

715

01:20:21.270 --> 01:20:26.940

Scott Feig: That We then had to go through each of those calculations on an individual basis review each of them review.

716

01:20:27.330 --> 01:20:33.750

Scott Feig: and determine if we thought that they were impacted by this problem recalculate the benefits recalculate what should have happened originally.

717

01:20:33.960 --> 01:20:43.350

Scott Feig: and identify the problem that process took some time we came back to the town with our findings of the differences and those that were impacted I think the final number was.

718

01:20:43.980 --> 01:20:57.480

Scott Feig: In the mid 40s and then we eventually took action of discussing how to remediate the problem with your approval we've had with sending letters to participants and then adjusting payments and taking further action that's necessary by group.

719

01:20:58.920 --> 01:21:02.610

Scott Feig: that's a high overview of kind of what happens i'm certainly open to other questions.

720

01:21:02.940 --> 01:21:06.930

Joe Pellegrino: Okay yeah Kevin did you want to get into some questions here.

721

01:21:07.110 --> 01:21:16.620

Kevin Coyner: yeah I mean, I guess, I mean that is a high overview and that's fine and I get that I just, I guess, I see it, a little bit differently, and that is this came to my attention.

722

01:21:17.190 --> 01:21:28.020

Kevin Coyner: Because we had a retiree who got a letter from my element on looking at it on my other screen here saying that his benefit was calculated incorrect and that he.

723

01:21:29.760 --> 01:21:38.130

Kevin Coyner: was going to have a one time additional decrease in one of his of nearly \$1,000 in one of his upcoming checks and so he brought it to my attention.

724

01:21:38.640 --> 01:21:45.720

Kevin Coyner: And so once between the two of us we brought it to the retirement board or to the administrator and he I believe brought it to your attention and.

725

01:21:46.380 --> 01:21:58.500

Kevin Coyner: I think we bang pots enough that eventually you went back and looked into it and basically reversed it, I mean if we hadn't ring that bell and come in and said well listen this doesn't look right.

726

01:21:59.130 --> 01:22:08.850

Kevin Coyner: I think this would have gone through and and everyone would have had their their benefits adjusted accordingly, and that was erroneous.

727

01:22:09.480 --> 01:22:24.540

Kevin Coyner: And, and we would have just would have been part of history, essentially and that's what bothers me and I guess what i'd rather have you speak to today is is what kind of checks are in place to make sure something like this doesn't happen again.

728

01:22:25.110 --> 01:22:26.130

Scott Feig: Again it bothers me the.

729

01:22:26.130 --> 01:22:27.810

Kevin Coyner: fact that this one would.

730

01:22:30.390 --> 01:22:35.970

Kevin Coyner: Give and just become a permanent record in a permanent change in his benefit if we hadn't if we hadn't thought.

731

01:22:37.200 --> 01:22:45.660

Scott Feig: I mean, I could say is as soon as the the participant question, the issue we gave his account the second luck, there was there was a small group of participants.

732

01:22:46.050 --> 01:22:51.660

Scott Feig: That went into payment right around within the first three months of us taking over administration of your plan.

733

01:22:52.140 --> 01:22:58.830

Scott Feig: And he happened the phone to that situation, so there was a very unique group of participants, when we first went live that were kind of handled.

734

01:22:59.550 --> 01:23:09.330

Scott Feig: differently than the rest of your participants, it was more of a combination of us in the year prior administrators calculation it wasn't a straight calculation from our system, I would like to think we would have caught the issue.

735

01:23:10.410 --> 01:23:18.900

Scott Feig: Before it certainly went into practice, but we then assess that this participant did fall into that special case, and when we reviewed it and dug a little deeper.

736

01:23:19.110 --> 01:23:30.510

Scott Feig: We determine that since it was part partially our calculation partially the prior administrators calculation, the part that we thought were were the issue lied was an hour calculation and in this particular case.

737

01:23:31.410 --> 01:23:39.150

Scott Feig: That portion of the calculation was from the prior administrator and that's why we determined that this particular participant was not impacted by the issue.

738

01:23:39.480 --> 01:23:45.960

Scott Feig: And then we went through again, you know that that's part of why we send out these letters we want people to ask questions we want people to raise their hand or.

739

01:23:46.170 --> 01:23:52.620

Scott Feig: or identify if they think there is an issue with the process certainly and we dug deeper into it, we said Okay, we did not.

740

01:23:53.220 --> 01:23:57.930

Scott Feig: take this into account when we looked at this very small subset of this small group originally.

741

01:23:58.260 --> 01:24:11.760

Scott Feig: And we reviewed again anyone that fell into the same situation as this participant we determined that he was the only person that was actually incorrectly identified initially, but we did look at it and we did review the entire population again.

742

01:24:13.710 --> 01:24:18.600

Mike Wacek: I have a question about that kind of related to what Kevin was saying so.

743

01:24:20.040 --> 01:24:31.320

Mike Wacek: I don't understand, given what Kevin said that so there's a retiree we received a letter saying that as benefit had been incorrectly calculate it was too high, it was going to have to be adjusted downwards.

744

01:24:32.010 --> 01:24:50.850

Mike Wacek: So, how did so, who did the original calculation, was it was it millimeter was it the prior firm and which system generated this this information that the benefit had to be reduced, I mean that's the thing, how did, how did that pop up.

745

01:24:52.620 --> 01:24:59.820

Scott Feig: It was a hybrid so so this small group of people I don't have the exact number but, including this particular participant, there was a small number of participants, where.

746

01:25:00.030 --> 01:25:13.080

Scott Feig: I would say the calculation and their final benefits setup is almost a hybrid they were portions that we had we calculate that there were portions that were calculated by the prior vendor and there were some portions that we recalculated not the entire calculation because.

747

01:25:14.280 --> 01:25:20.700

Scott Feig: Their calculations were before the person terminated so final pay and final data needed to be taken into account so.

748

01:25:21.180 --> 01:25:30.720

Scott Feig: I keep using it was almost a hybrid between the two systems and the

issue that was found last year was certainly a problem in our system that was found.

749

01:25:31.200 --> 01:25:41.100

Scott Feig: We were not taking into account or reviewing that so when we look back at the calculation that we did it initially appeared that the calculation was incorrect and it needed to be remediated.

750

01:25:41.730 --> 01:25:49.500

Scott Feig: When when it was questioned we did look at it again and pulled more parts of his record and found that in fact that that particular piece of the calculation.

751

01:25:49.770 --> 01:25:56.310

Scott Feig: was done by the prior administrator and that's why we've determined that that portion was actually corrected no remediation was needed.

752

01:25:56.580 --> 01:26:04.800

Scott Feig: And then we reviewed the entire population of participants that fell into that situation and determine that he was the only person impacted by this it's it's I.

753

01:26:05.160 --> 01:26:11.520

Mike Wacek: heard you I think I heard you say Scott that the prior administrator actually had it right and milliman made the mistake.

754

01:26:13.050 --> 01:26:15.000

Scott Feig: In this portion of this this portion.

755

01:26:16.230 --> 01:26:18.270

Scott Feig: Right right right right yes correct.

756

01:26:19.170 --> 01:26:24.030

Mike Wacek: Okay, so I mean but that's exactly kevin's point I mean.

757

01:26:25.740 --> 01:26:27.690

Mike Wacek: How, how did that happen.

758

01:26:29.460 --> 01:26:29.970

Scott Feig: What.

759

01:26:30.720 --> 01:26:43.710

Mike Wacek: Like you, you didn't review the other calculations and you came up with a different number did that question why you are coming up with different answers than the prior administrator that seems a little bit like there's a QA process lacking.

760

01:26:44.700 --> 01:26:50.130

Scott Feig: The the the overall problem that was identified last year is a small.

761

01:26:51.180 --> 01:26:54.180

Mike Wacek: I know what small We accept that, but we.

762

01:26:54.600 --> 01:26:57.510

Mike Wacek: Have any of our retirees affected by this stuff.

763

01:26:57.570 --> 01:27:04.050

Scott Feig: Absolutely and it's certainly our goal to get every single one of these calculations correctly, I guess what i'm trying to say it's small is that it's a.

764

01:27:04.410 --> 01:27:17.280

Scott Feig: swap, this is the calculation issue is impacts, a small a small subset of your overall population and then it was a small a small subset within that small subset that were actually impacted by this calculation.

765

01:27:17.520 --> 01:27:24.090

Scott Feig: Of the total population of people that were impacted by this I mean you're all aware that we put quite a number of people into pay.

766

01:27:24.480 --> 01:27:35.250

Scott Feig: Every year, and that began payments every year and the final population that ended up being impacted by this was 4444 participants so that's where i'm just trying to say.

767

01:27:35.640 --> 01:27:46.980

Scott Feig: absolutely want to get every single one of these right there's initial QA we did testing we check this against Initial calculations, when we first converted you we calculate we checked our calculations against prior to.

768

01:27:47.490 --> 01:27:54.330

Scott Feig: The prior administrators calculations, but this is a very small set this

is a small subset of a small subset.

769

01:27:54.960 --> 01:28:01.440

Scott Feig: With a small dollar amount, and this might be something that was not previously come across where we do every make every effort.

770

01:28:01.710 --> 01:28:09.930

Scott Feig: To make sure our calculation system is as accurate as possible we at the point of conversion review it against calculations from the prior administrator.

771

01:28:10.260 --> 01:28:16.590

Scott Feig: And sort of on an ongoing basis we're constantly reviewing calculations and always on the lookout for any issues or any problems.

772

01:28:16.890 --> 01:28:26.430

Scott Feig: And when an issue is identified, you know we don't just fix the you know this all arose from one participant we didn't just fix that participant we immediately look took a step back.

773

01:28:26.700 --> 01:28:33.900

Scott Feig: Looked at that portion of the calculation identified what the problem was kind of did a root cause analysis, found the root cause of what the issue was.

774

01:28:34.170 --> 01:28:41.310

Scott Feig: And then immediately notify the town and did made every effort to find every participant that we thought is or could be.

775

01:28:42.000 --> 01:28:52.650

Scott Feig: impacted by this issue and that's where we work to make that correction, we make we do everything we can, and and constantly reviewing things to make sure your calculations for every participant are as accurate as possible.

776

01:28:54.240 --> 01:28:55.920

Kevin Coyner: I just a quick and.

777

01:28:57.030 --> 01:29:05.790

Kevin Coyner: I get it that you know you this was hybrid and this is, can you know, probably the original era was caused a little bit in the transfer from America to you guys, I think, was transamerica.

778

01:29:07.350 --> 01:29:15.180

Kevin Coyner: What bugs me the most is I guess the QA process you guys identify what you thought was an air and then you send out the letter.

779

01:29:16.020 --> 01:29:30.840

Kevin Coyner: And I guess what bugs me is that that letter and that whole process at that point should have been meticulously review before you go out and change somebody just benefit because, as soon as we brought this to your attention you just reverse.

780

01:29:33.000 --> 01:29:38.550

Kevin Coyner: And and there's been no change in the guys benefit, so if you're if you're going to send out a correction to somebody.

781

01:29:39.240 --> 01:29:50.190

Kevin Coyner: Somebody benefit to make damn sure that at that point that your numbers are solid and and not that you're going to have to actually retract the letter that you sent That to me is almost embarrassing.

782

01:29:51.450 --> 01:30:02.670

Joe Pellegrino: All right, point well made anything else, because I think Scott has fairly described it he's heard clearly from us on you know.

783

01:30:03.420 --> 01:30:13.200

Joe Pellegrino: Scott it's you know, this is it happens, I understand that and we were, I think we're really saying is we just want to to make sure that we, as a board.

784

01:30:13.650 --> 01:30:29.910

Joe Pellegrino: We really care about our participants we don't want to see them ever have a mistake and we certainly don't want to see them not understand what's happening so you know that's that's what this is about, so we appreciate use you weighing in and.

785

01:30:31.080 --> 01:30:34.440

Joe Pellegrino: Look Kevin what I would say, and I want to add this.

786

01:30:35.850 --> 01:30:40.620

Joe Pellegrino: We have really good administrators here on this planet today with Ken and daniella.

787

01:30:41.130 --> 01:30:50.250

Joe Pellegrino: And I talked to them every week I mean are the issues that come up, but their diligence and their effort and the quality of their work.

788

01:30:50.670 --> 01:31:02.280

Joe Pellegrino: i'm going to tell you a second to none so the board, I think, is from administrative point of view is working better today than it's ever work that i'm that i've been associated with and that goes back in your period of time.

789

01:31:02.760 --> 01:31:19.170

Joe Pellegrino: To you know what 2009 2008 so um, but I do think, and this is why I agree with you Kevin periodically, we need to have these discussions with our vendors known and other vendors neuberger Berman, which we have ongoing to make sure that we you know look.

790

01:31:20.340 --> 01:31:30.390

Joe Pellegrino: we're all in it, together, we want to do the right things in we care passionately about fairness and justice to everyone so i'll leave it at that um.

791

01:31:31.980 --> 01:31:36.450

Joe Pellegrino: Okay now let's let's move on Scott, thank you very much for participating.

792

01:31:36.480 --> 01:31:37.620

Mike Wacek: Thank you, thanks for coming.

793

01:31:37.710 --> 01:31:40.320

Joe Pellegrino: it's got if you have any pressure on cryptocurrency or.

794

01:31:41.550 --> 01:31:42.450

Joe Pellegrino: send us an email.

795

01:31:43.290 --> 01:31:46.140

Scott Feig: I know, but thank you Thank you everyone for your time today, I appreciate it.

796

01:31:46.950 --> 01:31:57.720

Joe Pellegrino: All business don't have any administrators report that's a lead to Ken who's been waiting all morning to share with us what is going on.

797

01:31:58.830 --> 01:31:59.640
Joe Pellegrino: And what's going on.

798
01:32:00.150 --> 01:32:02.580
Ken Berkson: Good morning, everybody and.

799
01:32:03.930 --> 01:32:07.560
Ken Berkson: What this is a few items on my Minister report.

800
01:32:08.700 --> 01:32:26.130
Ken Berkson: The first is the act of db payroll with a dp we did escalated the dp and we have new resources and the goal is that they should have this done by the June 11 payroll they I.

801
01:32:26.730 --> 01:32:41.940
Ken Berkson: Am consistently receiving emails from them now, with the new people, so they are top of it we call it a couple things in there, fixing itself fully by the next board meeting the dp pension payroll file will be complete.

802
01:32:44.610 --> 01:32:54.120
Ken Berkson: Regarding the town website right now there's an initiative that Mary pepe I set out to work on the HR website.

803
01:32:54.720 --> 01:33:06.510
Ken Berkson: And Daniel and I are working on the pension part of it so you'll see some updates and also received some comments in the upcoming you know survey results to that people mentioned this, so we thought.

804
01:33:07.230 --> 01:33:15.870
Ken Berkson: It would be a good idea to take some of that feedback and put it into the website we're going to do a combination of utilizing the town website and.

805
01:33:16.440 --> 01:33:28.050
Ken Berkson: The I guess internal Intranet adp website for employees to better communicate with them and get information out there that they could see how to do things run estimates, etc.

806
01:33:28.620 --> 01:33:38.520
Ken Berkson: Daniela also created a flow chart for the front desk because we do get a lot of calls for them retirees and automatically when.

807

01:33:40.050 --> 01:33:45.510

Ken Berkson: People hear retiree they sense of retirement office, but a lot of questions usually health claim related.

808

01:33:46.680 --> 01:33:58.950

Ken Berkson: For one K and other benefits like that, so I know they sometimes feel like that passed around so to assist we gave the front desk when they call the front desk.

809

01:33:59.400 --> 01:34:09.180

Ken Berkson: A flow chart which will hopefully help enhance the customer experience of going directly to the contact that they wanted to speak about regarding the specific benefit.

810

01:34:11.070 --> 01:34:16.050

Ken Berkson: Next month we will have the cost of living increases for the retirees.

811

01:34:17.580 --> 01:34:20.700

Ken Berkson: will be doing the eligibility reviewing calculations.

812

01:34:22.080 --> 01:34:28.470

Ken Berkson: That will be approved in July I sorry in the zoom meeting and payments will be in the July payments.

813

01:34:30.420 --> 01:34:37.440

Ken Berkson: we're also be updating any medical premium changes they change for retirees and July, usually July 1.

814

01:34:38.100 --> 01:34:50.700

Ken Berkson: So in the month of July we'll also have to update all our retirees who account coverage with their updated premium payments, I believe, according to allison this may have gotten some of them may have actually gone down.

815

01:34:51.840 --> 01:34:52.830

Ken Berkson: Which is good news.

816

01:34:55.230 --> 01:35:12.450

Ken Berkson: we're also working on the nathaniel with the overall project and the dp part of it they're actually 61 participants with nathaniel whether all the women the db plan and 33 so a little over half of them are actually eligible to retire as of

July 1.

817

01:35:13.680 --> 01:35:21.660

Ken Berkson: So I guess if there is a cell, we will have 33 people retire retire from the pension plan.

818

01:35:23.580 --> 01:35:33.540

Ken Berkson: And one final thing the amendment or the extra assumption change I just received that from shipment a good one, yesterday, have a chance to look at it yet.

819

01:35:33.930 --> 01:35:45.450

Ken Berkson: But i've also been talking to legal and I don't know is Miriam are and the stolen I think we've seen in the past that sometimes amendments to go to be et and I could send it to you.

820

01:35:46.440 --> 01:35:58.560

Ken Berkson: I was talking to legal and we don't think this amendment needs to go to the BT for approval, based on the Charter, but if you don't have any issues with it, I could just send them.

821

01:36:01.140 --> 01:36:05.430

Ken Berkson: backed up and see if they feel that that amendment should be ready for approval.

822

01:36:07.620 --> 01:36:12.330

Andreas Duus: I can I don't think it does, but yeah we can talk about that.

823

01:36:12.810 --> 01:36:15.210

Ken Berkson: yeah i'll send you that we are speaking with legal.

824

01:36:17.490 --> 01:36:23.820

Ken Berkson: Of the town charter, it looks like that this specific type of amendment doesn't have to go to detail.

825

01:36:26.160 --> 01:36:31.560

Ken Berkson: And that is all I have if anybody has any questions open the floor for that.

826

01:36:33.780 --> 01:36:35.550

Joe Pellegrino: I don't see anybody's hand up Mike wastes a.

827

01:36:35.550 --> 01:36:41.010

Mike Wacek: Question yeah I go back to item see I what's that.

828

01:36:42.420 --> 01:36:49.650

Mike Wacek: Sub bullet three retirees after October 2020 it's not a complete thought what's going on there.

829

01:36:50.190 --> 01:37:09.660

Ken Berkson: Okay, that is due to the dp payroll file issue so because we were fixing them, they were never loaded onto the new element system, so now that defects element has that loaded onto the system and then update the retiree benefits with you know their payrolls from that point forward.

830

01:37:12.030 --> 01:37:13.530

Ken Berkson: It circles back to be.

831

01:37:16.320 --> 01:37:20.790

Mike Wacek: Right okay so So what is, what does that mean that the people who retired.

832

01:37:23.250 --> 01:37:30.690

Mike Wacek: In the like the last six months, what haven't been receiving the correct benefits or them been receiving any benefits are.

833

01:37:31.260 --> 01:37:42.510

Ken Berkson: Receiving benefits like they just they need to be true, it up as Okay, they said, usually they true it up in the month they retire when they get the final payroll file this situation.

834

01:37:42.960 --> 01:37:56.340

Ken Berkson: they're not going to be able to stay there, natural Detroit up until now, so the majority of situations, I don't want to speak for everybody, but it should be an increase because they're just going to have their higher salaries.

835

01:37:56.370 --> 01:38:00.450

Ken Berkson: You know I asked for more over a longer period of time.

836

01:38:01.260 --> 01:38:05.220

Ken Berkson: Okay, I did the salaries go up that benefit would stay the same yeah.

837

01:38:05.820 --> 01:38:06.150

Okay.

838

01:38:07.200 --> 01:38:07.470

Joe Pellegrino: Thank.

839

01:38:08.190 --> 01:38:14.550

Kevin Coyner: The lighters to Allah guess i'm yes Oh, meaning a letter or an opinion, out of legal about that.

840

01:38:16.410 --> 01:38:26.940

Ken Berkson: um I did speak with shipment of good when Kevin I think we decided we may briefly discuss this that they did say there is a.

841

01:38:27.960 --> 01:38:36.720

Ken Berkson: possible solution through the voluntary compliance program so if a contribution is miss usually this is completed on the 401k side.

842

01:38:37.500 --> 01:38:50.490

Ken Berkson: But it's also possible to fight benefit side because it is a play contribution that if it is best for you to administrative error, we would have to complete a filing with the dll.

843

01:38:51.690 --> 01:39:03.600

Ken Berkson: And fix it and it's voluntary compliance and shipment seems to believe that it should be just allowed through that voluntary compliance that it wouldn't have to go through any more channels.

844

01:39:03.960 --> 01:39:26.010

Ken Berkson: right but yeah then we, we have to discuss the next steps now here how would we do that through payroll and how would we do it through melman because now you're you know, adding additional work or numbers different to what they receive in the past, so they're going to be receiving contributions.

845

01:39:27.720 --> 01:39:28.200

Ken Berkson: way.

846

01:39:30.390 --> 01:39:33.090

Kevin Coyner: yep Oh, what would be our next.

847

01:39:34.410 --> 01:39:35.100

Kevin Coyner: shipment.

848

01:39:35.430 --> 01:39:36.060

Ken Berkson: Excuse me so.

849

01:39:36.120 --> 01:39:38.160

Kevin Coyner: Basically, this is possible under the vc.

850

01:39:39.330 --> 01:39:41.460

Ken Berkson: So you know you broke up Kevin.

851

01:39:42.510 --> 01:39:52.440

Kevin Coyner: i'm sorry um how about what would be our next step, then in terms of being able to formalize a process, such that we could correct errors that were made.

852

01:39:53.220 --> 01:40:06.240

Ken Berkson: of just confirm with legal then my next steps would be our next steps would be to discuss with payroll and melanin how that would work, because now, for instance, with no women.

853

01:40:07.350 --> 01:40:24.600

Ken Berkson: Usually, they receive 4% of someone's payroll yeah So if you will make \$1,000 they get a \$40 payroll and Aaron to match the hypothetical against the actual they're going to say \$40 to this are receiving \$1,000 however they're going to receive at.

854

01:40:25.650 --> 01:40:39.390

Ken Berkson: From the prior payroll missed so that could affect the calculations that are being done, because no elements expecting 40 and they're getting at so we'll have to discuss with them and how they can fix that on their side.

855

01:40:41.460 --> 01:40:42.360

Kevin Coyner: Okay, so.

856

01:40:42.570 --> 01:40:55.020

Mike Wacek: Right, certainly, I mean it clearly there's work involved, but I mean what what do we as a board thing, do we want to you know urge can to start pursuing those next steps or.

857

01:40:56.460 --> 01:40:57.450

Ken Berkson: Or what before him.

858

01:40:58.590 --> 01:41:11.760

Ken Berkson: Before I make a comment about it, I think this is more retro active Kevin maybe you know that, too, I don't think since i've been here a lot of contributions have been missed.

859

01:41:12.570 --> 01:41:30.990

Ken Berkson: I think there was a period of time, where people weren't enrolled in a timely manner and things like that and created maybe about 20 or 30 very small deficiencies for firefighters and police offices, so I think, really, this would be more clean up to heaven, do you agree.

860

01:41:31.590 --> 01:41:38.520

Kevin Coyner: yeah I you might be right and maybe we can leave it at that, I guess, so that the next time we do see it pop up as.

861

01:41:38.910 --> 01:41:55.830

Kevin Coyner: Another problem if it does pop up as a problem and where we have participants with deficiencies, then i'd like to be able to roll back to this and remember that there's perhaps another way to make up those deficiencies and then what we have traditionally allowed people to do.

862

01:41:57.840 --> 01:42:08.430

Kevin Coyner: You have any more deficiencies pop up and no more problems and there's no sense that we spend a lot of time and effort, working with melanin and payroll to develop a mechanism that we're never going to use, so I get that.

863

01:42:09.840 --> 01:42:17.400

Kevin Coyner: But if we do have deficiencies pop up then let's just remember that they don't always have to be closed out when the participant retires.

864

01:42:20.550 --> 01:42:21.180

Ken Berkson: so good.

865

01:42:21.720 --> 01:42:22.140

All right.

866

01:42:23.370 --> 01:42:24.780

Joe Pellegrino: Mike denver's your question.

867

01:42:28.110 --> 01:42:33.420

Mike Wacek: i'm not 100% sure where that leaves us, it sounds like actually The next step is to do nothing.

868

01:42:35.490 --> 01:42:38.580

Kevin Coyner: um, can you tell me, I guess.

869

01:42:40.650 --> 01:42:42.540

Kevin Coyner: It comes down to the sense that you know.

870

01:42:43.800 --> 01:42:53.250

Kevin Coyner: We have a policy manual, how do we address a deficiency, maybe if we make some type of new entry and our policy manual that says, these are the ways that we can address that.

871

01:42:55.350 --> 01:43:06.120

Kevin Coyner: And then maybe also you do need to have one brief conversation I suspect with middlemen and payroll just to see that they would agree that it is technically possible for them to do it.

872

01:43:07.830 --> 01:43:08.580

Kevin Coyner: Does that make sense.

873

01:43:11.580 --> 01:43:16.020

Ken Berkson: Okay, I could do, yes, I could definitely speak to about 11 circle back with the board.

874

01:43:17.580 --> 01:43:18.000

Joe Pellegrino: Okay.

875

01:43:19.020 --> 01:43:26.220

Joe Pellegrino: let's leave it at that okay all right all right, that brings us to the retirees I believe correct.

876

01:43:30.150 --> 01:43:31.650

Ken Berkson: Yes, yes.

877

01:43:31.860 --> 01:43:44.130

Joe Pellegrino: Yes, Okay, so no well, I guess, we do yeah Google retirements so we have 1234 um any comments questions and a.

878

01:43:44.130 --> 01:43:45.060

Peter Mynarski: Question Joe.

879

01:43:45.510 --> 01:43:45.900

Joe Pellegrino: yeah.

880

01:43:46.170 --> 01:43:47.400

Peter Mynarski: To through you to can.

881

01:43:48.540 --> 01:43:59.160

Peter Mynarski: Show and Leonard um my question is what triggers he's vested he's got 11 years of vesting what triggered his retirement.

882

01:44:00.180 --> 01:44:02.640

Peter Mynarski: Is it he's only 56 so.

883

01:44:03.090 --> 01:44:15.720

Ken Berkson: he's a police officer and he was able to retire and 55 or believer he didn't Daniela firmness, he did not return this paperwork, this is actually le retirement.

884

01:44:16.260 --> 01:44:39.120

Peter Mynarski: Okay, so so he did the magical numbers 55 currently he was just like my second question is i'm at the percentages highest 12 months 19 for for policeman or two and a half percent for the first 20 years is does the deficiency, reduce the credible service Why is that not in the 20s.

885

01:44:41.130 --> 01:44:47.250

Ken Berkson: Here I you know I saw that and I had the reason circle back to doing that there was a reason.

886

01:44:48.630 --> 01:44:55.020

Peter Mynarski: Okay, good just do me a favor and double check that because I believe policemen get two and a half percent.

887

01:44:55.050 --> 01:44:55.440

Yes.

888

01:44:58.170 --> 01:44:58.590

Peter Mynarski: Okay.

889

01:44:59.040 --> 01:44:59.280

Kevin Coyner: Why do.

890

01:45:00.870 --> 01:45:04.890

Ken Berkson: I have to circle back on that I did I didn't write a note down, sir.

891

01:45:05.550 --> 01:45:13.410

Peter Mynarski: All right, if if the others are okay i'll i'll move to retirement before retirements effective June 1 just be.

892

01:45:14.490 --> 01:45:19.740

Joe Pellegrino: Subject to Ken revealing that making sure that's 100% correct.

893

01:45:20.220 --> 01:45:24.300

Kevin Coyner: Excuse me, why does he have a deficiency of 105,000.

894

01:45:27.150 --> 01:45:29.880

Joe Pellegrino: Words I don't see it listen to 105,000.

895

01:45:30.270 --> 01:45:31.410

Peter Mynarski: Show one letter yeah.

896

01:45:32.820 --> 01:45:40.080

Ken Berkson: That may be a contribution may have been on the road where, if you want to give me a minute to look at this calculation.

897

01:45:41.220 --> 01:45:44.880

Kevin Coyner: It also says two lines lower than its contribution status is deficient.

898

01:45:46.890 --> 01:45:51.060

Peter Mynarski: Can you just double check the cut the calculation, make sure all the numbers right.

899

01:45:54.480 --> 01:45:55.800

Ken Berkson: or give me a second.

900

01:45:56.190 --> 01:45:57.690

Peter Mynarski: No, no, you don't have to do it now.

901

01:45:57.720 --> 01:46:00.450

Ken Berkson: just saying i'm looking up now, since we're here.

902

01:46:09.030 --> 01:46:14.460

Kevin Coyner: And you say can also he didn't turn in his paperwork, this is a late retirement.

903

01:46:15.480 --> 01:46:16.440

Joe Pellegrino: By a year and a half.

904

01:46:16.770 --> 01:46:18.090

Ken Berkson: yeah he was.

905

01:46:19.380 --> 01:46:22.950

Ken Berkson: sent paperwork to I don't recall.

906

01:46:25.140 --> 01:46:29.370

Ken Berkson: I think we spoke with them, I don't know if Danielle was on the call and remembers.

907

01:46:29.700 --> 01:46:30.360

Daniela Barcello: Yes, I think.

908

01:46:31.440 --> 01:46:33.780

Ken Berkson: He it was they didn't.

909

01:46:34.560 --> 01:46:36.270

Daniela Barcello: make his wife, the other paperwork.

910

01:46:40.080 --> 01:46:41.670

Joe Pellegrino: I guess she didn't want them to retire.

911

01:46:44.100 --> 01:46:47.070

Kevin Coyner: I mean we don't really have that happen, too often, I hope.

912

01:46:47.880 --> 01:46:48.270

huh.

913

01:46:50.190 --> 01:46:50.370

No.

914

01:46:51.450 --> 01:46:52.230

Daniela Barcello: matter what.

915

01:46:52.800 --> 01:46:54.120

Joe Pellegrino: Life throws out the PayPal.

916

01:46:57.180 --> 01:46:58.020

Peter Mynarski: he's still married.

917

01:47:00.660 --> 01:47:03.870

Joe Pellegrino: Not it's been longer teasing i'm just teasing.

918

01:47:09.360 --> 01:47:11.190

Ken Berkson: i'll get back to those numbers.

919

01:47:11.250 --> 01:47:16.860

Joe Pellegrino: Okay let's approve this subject to the numbers being reviewed all in favor Aye.

920

01:47:17.220 --> 01:47:18.420

Joe Pellegrino: Aye okay.

921

01:47:19.200 --> 01:47:20.580

Daniela Barcello: Is it the fish answer Wolf.

922

01:47:21.300 --> 01:47:23.700

Ken Berkson: yeah yeah Andrew had a drop off.

923

01:47:24.270 --> 01:47:26.340

Peter Mynarski: yeah through net vote was one listen.

924

01:47:27.090 --> 01:47:27.570

Yes.

925

01:47:31.080 --> 01:47:34.350

Joe Pellegrino: And I heard Daniela do you think this was the deficiency.

926

01:47:34.920 --> 01:47:37.320

Daniela Barcello: It can i'm looking at the people work now.

927

01:47:37.680 --> 01:47:40.410

Ken Berkson: He may have taken a refund of his contributions.

928

01:47:40.500 --> 01:47:41.880

Daniela Barcello: I think that's what happened yep.

929

01:47:42.270 --> 01:47:42.990

wow.

930

01:47:44.670 --> 01:47:45.690

Ken Berkson: he left the employer.

931

01:47:47.910 --> 01:47:48.420

Joe Pellegrino: Okay.

932

01:47:49.470 --> 01:47:49.860

Joe Pellegrino: All right.

933

01:47:49.920 --> 01:47:50.430

Kevin Coyner: move on.

934

01:47:50.790 --> 01:47:51.900

Kevin Coyner: He took me under.

935

01:47:51.960 --> 01:47:56.670

Ken Berkson: His contributions, well, I have to double check that but he he can do that.

936

01:47:59.310 --> 01:48:00.420

Kevin Coyner: At retirement.

937

01:48:00.750 --> 01:48:02.970

Daniela Barcello: Now took him when he left.

938

01:48:03.360 --> 01:48:05.250

Ken Berkson: You could do it when you leave the employer that.

939

01:48:07.050 --> 01:48:11.340

Kevin Coyner: And then you're basically totally deficient, which is what it looks like he is.

940

01:48:12.660 --> 01:48:13.020

Kevin Coyner: and

941

01:48:13.890 --> 01:48:15.750

Ken Berkson: heavily invested in a cryptocurrency.

942

01:48:17.700 --> 01:48:25.230

Joe Pellegrino: Right so much your point I think Kevin is if he's done that he has walked away with 105,000.

943

01:48:25.590 --> 01:48:33.780

Joe Pellegrino: yeah still getting his thousand a month, so it's up to him to invest 105,000 for his monthly total all and.

944

01:48:35.010 --> 01:48:47.820

Ken Berkson: yeah Okay, and I kick what happened is the number in there, he is that deficient number if I take his name deficient number times 12 divided by.

945

01:48:51.540 --> 01:48:55.110

Ken Berkson: 29 yeah that looks more like it.

946

01:48:58.290 --> 01:48:59.010

Kevin Coyner: And then.

947

01:48:59.040 --> 01:49:10.860

Ken Berkson: yeah so that that is a typo that 1086 is deficient benefit is fully funded benefit is 1629 54.

948

01:49:12.450 --> 01:49:14.910

Joe Pellegrino: So what is this monthly benefit change to.

949

01:49:15.690 --> 01:49:18.990

Ken Berkson: know his his monthly benefit is correct the 90.

950

01:49:19.080 --> 01:49:29.700

Ken Berkson: letter D is correct okay that's what he elected that deficient 1500 percent terms of our benefit, I was circling back to pete pete question.

951

01:49:31.800 --> 01:49:41.070

Ken Berkson: For you point four four plus the 1086 38 that was used calculate the 1944 was deficient straight life benefit.

952

01:49:41.610 --> 01:49:42.720

Daniela Barcello: Sorry, yes, my father.

953

01:49:43.800 --> 01:49:52.710

Ken Berkson: is fully contributed straight like benefit of 1629 54 which then makes the number and it matches the two and a half percent.

954

01:49:54.720 --> 01:49:54.870

Ken Berkson: So.

955

01:49:55.830 --> 01:49:57.120

Kevin Coyner: Far so.

956

01:49:57.360 --> 01:49:58.800

Joe Pellegrino: Good eyes, Peter.

957

01:49:59.460 --> 01:50:05.790

Kevin Coyner: I just i'm still confused oh so he still gets his two and a half percent for contract and he can withdraw his total.

958

01:50:05.820 --> 01:50:21.150

Ken Berkson: Contribution now he is two and a half percent was 1629 before so that was his fault two and a half percent then because he took his employee money he received a deficient benefit which back to down to.

959

01:50:23.190 --> 01:50:32.820

Ken Berkson: 1069 1086 and then he chose the hundred percent Jay and adoption was further reduce that the 981 31 okay.

960

01:50:34.050 --> 01:50:39.780

Joe Pellegrino: Okay, all right next topic the worksheet for the payments.

961

01:50:43.020 --> 01:50:46.410

Joe Pellegrino: wow well number of people pass away.

962

01:50:50.370 --> 01:50:52.950

Joe Pellegrino: Okay, any comments on this.

963

01:50:55.290 --> 01:50:55.800

Joe Pellegrino: Okay.

964

01:50:58.140 --> 01:50:58.770

Joe Pellegrino: I don't know if we.

965

01:50:59.970 --> 01:51:00.750

Joe Pellegrino: will hold on this.

966

01:51:04.440 --> 01:51:05.730

Ken Berkson: goes into the expenses.

967

01:51:05.820 --> 01:51:06.360

Okay.

968

01:51:09.840 --> 01:51:13.380

Joe Pellegrino: Was there Okay, is there, another retirement is that we're looking at Michael.

969

01:51:14.910 --> 01:51:15.870

Peter Mynarski: executive session.

970

01:51:16.320 --> 01:51:19.590

Ken Berkson: Any other you need to vote on the expenses.

971

01:51:19.950 --> 01:51:21.780

Joe Pellegrino: Okay, all those in favor.

972

01:51:23.130 --> 01:51:24.030

Joe Pellegrino: Do we have do you.

973

01:51:24.300 --> 01:51:25.260

Peter Mynarski: plan to move.

974

01:51:25.470 --> 01:51:26.010

Peter Mynarski: To move.

975

01:51:26.250 --> 01:51:34.140

Joe Pellegrino: I except Indian all favor Aye Aye okay okay where's that bring us now on this agenda.

976

01:51:34.500 --> 01:51:52.230

Ken Berkson: So Daniela said that the evaluation for the disability retirement, so I know, in the past, Joe you had we had skipped the executive session if the board felt it wasn't because they already see you.

977

01:51:52.950 --> 01:51:55.980

Joe Pellegrino: Have a discussion in executive session right.

978

01:52:00.780 --> 01:52:01.350

Joe Pellegrino: Kevin.

979

01:52:01.470 --> 01:52:03.900

Kevin Coyner: My i'm sorry no I don't need I.

980

01:52:03.930 --> 01:52:10.110

Joe Pellegrino: don't need to have a meeting and executive session oh my no Peter.

981

01:52:10.620 --> 01:52:11.340
Peter Mynarski: No, I read it.

982
01:52:12.780 --> 01:52:13.560
Peter Mynarski: i'm ready to vote.

983
01:52:13.860 --> 01:52:19.800
Joe Pellegrino: Okay, so there's no need for an executive session, so I think we can now bring up that retirement Is that correct.

984
01:52:20.760 --> 01:52:22.200
Kevin Coyner: We retire Michael Sankoh.

985
01:52:22.500 --> 01:52:24.840
Joe Pellegrino: Second okay all in favor.

986
01:52:25.410 --> 01:52:26.130
Peter Mynarski: Aye Aye.

987
01:52:27.600 --> 01:52:28.110
Joe Pellegrino: Okay.

988
01:52:29.190 --> 01:52:34.560
Joe Pellegrino: Michael is now retired and you're comfortable with the numbers on that page everybody's comfortable with that.

989
01:52:37.590 --> 01:52:41.130
Kevin Coyner: Actually, one question so Ken present highest 12 months.

990
01:52:42.330 --> 01:52:42.870
Kevin Coyner: he's not get.

991
01:52:44.100 --> 01:52:46.140
Kevin Coyner: It gets two and a half percent per year right.

992
01:52:46.500 --> 01:53:01.140
Ken Berkson: That is what I could answer he gets to that he gets actually 50% plus what his employees contributions purchase so because he had 15 years the 50% is better.

993

01:53:01.800 --> 01:53:13.890

Ken Berkson: And then you take his contributions of 75,005 18 and they are newer ties that and that accounts for the other 5.92% perfect understood.

994

01:53:16.200 --> 01:53:16.440

Okay.

995

01:53:18.090 --> 01:53:19.560

Joe Pellegrino: So, yes Mike.

996

01:53:21.090 --> 01:53:22.380

Kevin Coyner: I know Kevin.

997

01:53:23.040 --> 01:53:24.600

Joe Pellegrino: kevin's my season yeah.

998

01:53:24.630 --> 01:53:26.550

Kevin Coyner: Can I just deviate for one second because.

999

01:53:26.550 --> 01:53:28.800

Kevin Coyner: Our question, and that is.

1000

01:53:30.390 --> 01:53:38.310

Kevin Coyner: we're retiring let's say you know mike's a different case but let's say we retire a police or fire fire today.

1001

01:53:39.330 --> 01:53:53.130

Kevin Coyner: Which is the 27th for the first right that's when his retirement begins and let's say that actually that firefighter a cop, he works tomorrow on may 28 and then get injured on the job.

1002

01:53:54.330 --> 01:54:01.410

Kevin Coyner: What do at that point is do can we unretire him so that he could actually file disability.

1003

01:54:02.700 --> 01:54:03.390

Kevin Coyner: retirement.

1004

01:54:04.110 --> 01:54:04.500

Ken Berkson: well.

1005

01:54:04.620 --> 01:54:04.950

Kevin Coyner: You know.

1006

01:54:05.010 --> 01:54:15.150

Ken Berkson: I can't speak for the first part I think Kevin but the minute they found that that he was found disabled by the valuation.

1007

01:54:16.170 --> 01:54:21.300

Ken Berkson: They tiffany took him off light duty and told them to go to work.

1008

01:54:21.480 --> 01:54:40.860

Kevin Coyner: i'm not my questions more hypothetical i'm not Michael at all stanko i'm talking about like let's say I retired today and I have a shift yet because i'm not done and I have a shift tomorrow, and while i'm working my shift I get injured.

1009

01:54:42.450 --> 01:54:51.030

Kevin Coyner: And and it's a you know, on the job injury and i'd become disabled from that, but the retirement board retired me, you know, basically, they had the vote on my retirement this morning.

1010

01:54:52.890 --> 01:54:55.470

Kevin Coyner: How do we unwind that can we unwind that.

1011

01:54:56.730 --> 01:55:00.300

Kevin Coyner: Because I got I did I got disabled on the job tomorrow.

1012

01:55:00.570 --> 01:55:02.100

Joe Pellegrino: sounds to me like a legal question.

1013

01:55:02.760 --> 01:55:05.520

Ken Berkson: yeah I guess the question would be, can you pull your paperwork.

1014

01:55:05.880 --> 01:55:06.150

Joe Pellegrino: I think.

1015

01:55:07.230 --> 01:55:08.520
Joe Pellegrino: you're talking lawyers.

1016
01:55:10.620 --> 01:55:13.290
Kevin Coyner: Can we pose that question to them, because their needs.

1017
01:55:14.220 --> 01:55:14.730
Joe Pellegrino: Because we.

1018
01:55:14.760 --> 01:55:23.520
Kevin Coyner: I mean we retire people like today on the 27th and they go on and they work and still expose themselves to risk and sometimes potentially get hurt.

1019
01:55:23.940 --> 01:55:24.630
Joe Pellegrino: Why why.

1020
01:55:25.350 --> 01:55:25.980
Kevin Coyner: Why what.

1021
01:55:26.340 --> 01:55:35.610
Joe Pellegrino: Why would they do that why you're going to be knows that there's a retirement board meeting in that they're going to be voting on that day, why would they show up the next day and work when they've been retired.

1022
01:55:36.600 --> 01:55:45.690
Kevin Coyner: Because they're required to work through should they have to show up to work until they're retired when they're not retired until the first of this case June.

1023
01:55:47.010 --> 01:55:51.660
Kevin Coyner: If they if the town would give them free vacation free vacation i'm sure they would be happy to not show up.

1024
01:55:52.080 --> 01:55:56.700
Kevin Coyner: But otherwise they'd have to burn vacation time and they get compensated for turning in vacation time.

1025
01:55:57.930 --> 01:56:03.150
Joe Pellegrino: Okay really good questions I don't have an answer, so I think it goes back to leave a question.

1026

01:56:06.810 --> 01:56:08.790

Kevin Coyner: Can can you post out to them, or do you want my help.

1027

01:56:09.720 --> 01:56:16.200

Ken Berkson: um I will pose it to them, or we have meetings with legal workplace i'll send over the email to them.

1028

01:56:17.340 --> 01:56:20.820

Ken Berkson: Okay, and then we'll discuss next week, thank you.

1029

01:56:21.030 --> 01:56:22.050

Joe Pellegrino: All good with that Kevin.

1030

01:56:22.290 --> 01:56:23.280

Kevin Coyner: yeah yeah that's good.

1031

01:56:24.090 --> 01:56:28.080

Joe Pellegrino: All right, um next meeting is June the 24th.

1032

01:56:29.430 --> 01:56:46.170

Joe Pellegrino: I don't know for being face to face I hope so, but who knows okay any other comments questions anybody wants to say anything other than it's 957 we're going to do this within two hours i'm really happy really happy i'm i'm open to a motion to adjourn.

1033

01:56:46.890 --> 01:56:48.480

Peter Mynarski: The move okay.

1034

01:56:48.960 --> 01:56:49.710

Joe Pellegrino: awesome.

1035

01:56:50.070 --> 01:56:56.130

Joe Pellegrino: All in favor Aye Aye guys are great Thank you everyone appreciate it have a great day.

1036

01:56:57.300 --> 01:56:57.720

Kevin Coyner: yeah.